This dissertation examines customer involvement in experiential tourism service development, by discussing customer involvement and consumer service experience in the NSD process of experiential services, and examining the contribution and usefulness of diverse methods utilised new experiential service development. This dissertation takes a case study approach and presents three different new tourism service development cases.
Customer involvement in new experiential tourism service development
HENNA KONU

Customer involvement in new experiential tourism service development

Evidence in wellbeing and nature tourism contexts

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ABSTRACT

This dissertation examines customer involvement in experiential tourism service development, by discussing customer involvement and consumer service experience in the NSD process of experiential services, and examining the contribution and usefulness of diverse methods utilised new experiential service development. I chose tourism as the context of the study as it represents a highly experiential consumption context that has been previously overlooked. The theoretical basis of this thesis lies in service marketing and management, and the theoretical discussions of the thesis focus on experiential services, customer involvement and new service development. This study takes a case study approach and presents three different new service development cases, each of them presented in a journal article. In all three articles, diverse research methods have been used, namely the ethnographic approach, Delphi method, and longitudinal action research. This study argues that an experiential tourism service should appeal to hedonic and/or eudaimonic motivations which leads, through involvement, to internal and emotionally engaging experiences. Hence, service providers need to identify and recognise how they can facilitate this kind of experience. This means that it is essential to have deep customer insight regarding current and potential customers, and to gain this kind of insight diverse customer involvement methods should be used. This thesis gives its contribution by defining experiential services and by presenting practical examples of diverse NSD processes and methods used to involve customers in diverse phases of NSD. The findings of this study show that diverse expected benefits and challenges influenced the willingness of businesses and customers to be part of tourism NSD processes.

Keywords: experiential service, customer involvement, consumer service experience, new service development, tourism
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ABSTRAKTI


Asiasanat: elämyspalvelu, asiakkaan osallistaminen, asiakaskokemus, elämys, matkailu, uuden palvelun kehittäminen
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Onttola, June 2016

Henna Konu
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1 Introduction

“Developing a new customer experience involves risk, and research techniques – especially quantitative techniques – may be incapable of eliciting a response from potential customers where the proposed experience is hypothetical, and devoid of the emotional and situational context in which it will be encountered.” (Palmer, 2010, p. 204)

1.1 MOTIVATION FOR THIS STUDY

What do we want and what do we get when we buy a service? Is it interaction with another person? Is it the outcome from the service? Is it the overall experience that constitutes several things, such as the facilities or the environment where the service takes place? What kind of experiences customers expect from different services? How can service providers meet our expectations for the service experience? How these experiences can be developed? These are just a few of the questions that have motivated this study together with the fact that services have a prominent role in all the world’s most advanced economies and it is said that many of them have more than 70% of their gross domestic product generated by services (Ostrom, Bitner, Brown, Burkhard, Goul, Smith-Daniels, Demirkan and Rabinovich, 2010).

The discussion and focus around services changed when the perspectives of service-dominant logic (SDL) (Vargo and Lusch, 2004) and service logic (SL) (Grönroos, 2006; 2008; 2011) emerged emphasising customer perspective, interaction between a customer and suppliers, and regarding customers as co-creators of value (Payne, Storbacka and Frow, 2008; Payne, Storbacka, Frow and Knox, 2009; Vargo and Lusch, 2006). In addition, in the past few decades services researchers and managers have examined (service) experience as a central phenomenon (Jaakkola, Helkkula and Aarikka-Stenroos, 2015; McColl-Kennedy, Cheung and Ferrier, 2015). Several authors argue that we are living in an experience economy and people are seeking more and more experiences in their lives (Mascarenhas, Kesavan and Bernacchi, 2006; Pine and Gilmore, 1998; 1999; Quan and Wang, 2004).

However, experiences are not a new research topic, as experiences have been discussed and studied in different disciplines since the 1960s. Several authors have contended that customer experience depends on the characteristics of a product or service (e.g. Gentile, Spiller and Noci, 2007). It is also said that the value that a customer experiences derives from comparing one thing with
another and depends on the context of consumption (Holbrook, 2006). Hence it can be assumed that a consumer’s experience of an experiential service is different from the experience of a consumer when buying tangible goods.

The experiential aspects of consumption were already emphasised at the beginning of the 1980s by Holbrook and Hirschman (1982) when they discussed consumer fantasies, feelings and fun, as well as hedonic consumption (see also Hirschman and Holbrook, 1982). Holbrook and Hirschman (1982) claimed that the experiential perspective of consumption is characterised by subjectivity and explores diverse symbolic meanings. They stated that the symbolic role of particular sectors, such as the arts, entertainment and leisure activities, is richer and more prominent than that of some other products. Now, such products and services are seen to be a part of the experience industry, which includes services from tourism, culture and entertainment, as well as sport and leisure (Voss and Zomerdijk, 2007).

In services marketing and management literature from the past 20 years the number of articles that focus on experiences has increased. However, the marketing research on experience is still rather underdeveloped (Schmitt and Zarantonello, 2013). Some papers have also referred to experiential services (Agrusa, Maples, Kitterlin and Tanner, 2007; Patterson and Smith, 2003) but rarely are there definitions of what is meant by the concept. A few researchers have also defined experiential services in their studies (e.g. Voss and Zomerdijk, 2007; Zomerdijk and Voss, 2011), but most of the studies of experiential services have defined them just by referring to some particular service (e.g. Albers-Miller and Stafford, 1999; Dabholcar and Walls, 1999; Duman and Mattila, 2005; Patterson and Smith, 2003). For instance, according to Williams (2006) products of the hospitality and tourism industry are always experiential.

The tourism service differs from many other services, for example, by the longer duration of the service experience, as tourism service overall is made up of several service modules and encounters (Batat and Frochot, 2014; Konu, 2015a). Surprisingly, even if the service management literature acknowledges the experiential aspect of services, and tourism and hospitality services are referred to as examples of experiential services, tourism has rarely been the object of experiential marketing studies in the mainstream marketing field (Batat and Frochot, 2014).

Shaw, Bailey and Williams (2011) emphasise the fact that the tourism sector is increasingly based around customer service experience and hence consumers and suppliers interact more closely together at all stages of their relationship. SDL and SL emphasise customer interaction with suppliers during service experience co-creation and highlight the context-specific and personal nature of experience (Jaakkola et al., 2015; Payne et al., 2009). Co-creation may refer to customer participation in the process of creating offering (referred also as co-production), or to customer participation in the value creation process (Lusch et al., 2007; Mustak et al., 2013). Co-creation of offering 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 to suit their purposes and needs (Miettinen, 2009; Prahalad and Ramaswamy, 2004a). Thus, it is important to recognise the two distinct meanings of co-creation, but also note that they are intertwined. In this study, the term co-creation refers to customer involvement in the offering creation process and to the associated value outcomes for the parties involved (Mustak et al., 2013). The importance of customer involvement in (new) service development (NSD) through co-creation is increasingly recognised by academics and practitioners (Alam, 2002; Bendapudi and Leone, 2003; Chan, Yim and Lam, 2010; Cheng, Chen and Hun, 2012; Edvardsson, Kristensson, Magnusson and Sundström, 2012; Fang, Palmatier and Evans, 2008; Hjalager and Nordin, 2011; Nicolajsen and Scupola, 2011; Prahalad and Ramaswamy, 2004a; 2004b; Sjödin and Kristensson, 2012; Vargo and Lusch, 2006; Verleye, 2015). It has also been shown that, in addition to the co-creation process, the situation and the context influence the outcome and customer experiences of co-creation (Verleye, 2015).

It is estimated that the growth of tourism and tourism activities increases in the long run (UWNTO 2015) and it has been argued and the trends have shown that the demand of nature-based and wellbeing tourism have increased even faster (Hall and Boyd 2005; Jänkälä, 2014). For instance, the demand for wellbeing tourism and wellbeing tourism services has increased as many people feel stressed because of the work-obsessed, time-pressured, materialistic and over-individualistic societies, and they are looking balance in their lives (Laing and Weiler, 2008; Sheldon and Bushell, 2009; Smith and Puzckó, 2009). The changes in demographic and lifestyle have also increased the demand (García-Altés, 2005) and the growing demand has also been noted in diverse wellbeing tourism sub-sectors such as spa tourism (ISPA, 2013).

VisitFinland (2013) has chosen four main development areas in Finnish tourism, namely wellbeing, winter, summer and culture. All the development areas include a strong connection to nature and nature activities, and for instance ‘summer’ includes nature activities that take place in natural settings such as in forests and lakes (VisitFinland, 2013). The development guidelines include development focus areas (e.g. combining nature and culture) (VisitFinland, 2013) but there is still need to convert the resources and possibilities into well targeted tourism services. Further information is also required to support the development activities including e.g. product and service development, and marketing communication (Tuohino, 2012).

Like in other parts of the world, most Finnish tourism businesses are micro, small or medium sized businesses that are characterised by e.g. part-time tourism entrepreneurship and limited entrepreneurial skills (Komppula, 2000). Limited financial and other resources may also influence their willingness and ability to develop their business in long-term (Komppula, 2000), including also service development processes. On the other hand, to guarantee competitiveness
in the market, businesses face increasing pressure to innovate, identify new market niches and tackle the seasonality problems (Cracolici and Nijkamp, 2009; Ernst & Young, 2013). Customer involvement in service development has seen to offer diverse benefits to businesses, such as customer attachment and acceptance of new services (e.g. Alam, 2006; Magnusson, Matthing and Kristensson, 2003; von Hippel, 2001) and hence improving the success of new services (Sjödin and Kristensson, 2012). Involving customers by using suitable approaches may help businesses to allocate their development resources more efficiently and hence benefit tourism businesses in their NSD processes.

The above-mentioned issues influenced and motivated this dissertation to examine the development practices of experiential (tourism) services. The need for this study is presented in more detail in the following chapter.

1.2 JUSTIFICATION OF THE STUDY

The growing importance of the service sector has brought a need for theories and approaches that focus specifically on services and acknowledges their special characteristics. Even though research on services has increased after the emergence of the perspectives of service-dominant logic (Vargo and Lusch, 2004) and service logic (Grönroos, 2006; 2008; 2011), there are still numerous important research topics in the services management field. Several gaps identified in the literature give also justification for this study:

- There is a need for further information supporting the simulation of service innovation, e.g. designing emergent and planned processes for service innovation, identifying and managing customers’ roles in service innovation processes, and generating and managing ideas for service innovation (Ostrom et al. 2010).

- There is a lack of studies that focus on co-creation of the service experience or service experience co-creation including topics such as defining the customers’ roles and developing methods to motivate customer contributions, and enhancing customer or service collaboration by using technology (Jaakkola et al., 2015; Ostrom et al. 2010).

- There is a need for research on the process by which specific cues in experiential touchpoints create specific consumer experiences, and the process by which experiences impact consumer behaviour (Schmitt and Zarantonello, 2013).

The nature and characteristics of different services need to be considered when services are developed. There is a difference when the development activities focus on developing services that are connected to physical products (e.g. repair services of cars) compared to services that are directed at people. In addition,
there are also different kinds of people processing services ranging from health care services to experiential services such as tourism services. It can be argued that all services cannot be developed in a similar way.

Customers have a central role in services and co-creating service experience. Customer involvement is one central issue in developing new services (Verleye, 2015). Many of the customer involvement studies are made in the context of new product development and there are only a limited number of studies that focus on service development. In addition, even if customer involvement has been regarded as being important for successful product and service development (Alam, 2006; Magnusson et al., 2003), there has only been a limited amount of empirical studies related to the topic, e.g. concerning effectiveness and outcomes (Campbell and Cooper, 1999), how customer involvement enhances and contributes to NSD processes (Sigala, 2012b), and how to engage customers with NSD (Kristensson, Matthing and Johansson, 2008).

Many of the studies on customer involvement in NSD are made in a business-to-business context and focus on developing financial and technological services (Alam and Perry, 2002; Alam, 2002; Alam, 2006; Matthing, Sanden and Edvardsson, 2004). However, over the last few years some studies have also focused on examining customer involvement in the settings of experiential industries such as tourism and hospitality (Komppula and Lassila, 2014; Konu, 2015b; Sigala, 2012b; Sjödin and Kristensson, 2012). It is also argued that user-driven innovation (in this study a new service is seen as one form of innovation) and involving customers in innovation processes suits well to the tourism industry where the consumer-producer interaction is closer than in many other sectors (Hjalager, 2010). There has also been a call for studies that focus on user-driven innovation practices and methods in tourism (Hjalager and Nordin, 2011).

As mentioned before, it is emphasised that the services of the hospitality and tourism industry (e.g. restaurants, theme parks, and tourist destinations) are experiential (Williams, 2006). Experiential services do not solely focus on the functional benefits resulting from the products or services delivered (Voss and Zomerdijk, 2007; Zomerdijk and Voss, 2011) but more on the experiential value a consumer obtains from the consumer service experience. It is surprising that experience marketing literature has overlooked the tourism as consumption context even though it is one of the most highly experiential contexts in existence (Batat and Frochot, 2014). In addition, despite the fact that the core of a tourism service is the experience of the consumer, it is interesting to see how limited the research into how customers are involved in tourism products and services development is at present (Prebensen, Vittersø and Dahl, 2013). In addition to the above mentioned gaps, there are also other research challenges identified in the literature:

- “…few studies have actually explored interaction from the customers’ viewpoint, which is tourist participation as a resource enhancing value
for the tourist and the firms in the service encounter.” (Prebensen, 2014, p. 29).
- There is a need to systematically identify and categorise different research methodologies and approaches that are or should be used to examine the consumer/tourist experience (Ritchie and Hudson, 2009).
- “Future research efforts should continue to examine the tourists’ experience through different research methods that could enhance the contribution of the tourists in defining the concept of experience and the attributes that transform occurrences into experiences.” (Volo, 2009, p. 123).

Development of new products and brand extensions should be driven by the creation of holistic experiences (Schmitt, 1999) especially in industries offering experiential services, e.g. tourism and hospitality. Despite the extensive discussion of diverse experience concepts in service management literature, a lack of studies that examine specifically experiential services, especially in relation to the processes how the prerequisites and settings of the service are developed and designed can be identified. It can be argued that developing experiential services, such as tourism services, differs from developing some other kinds of services. It is also argued that the development of experiential services requires an emphatic and ethnographic approach, and tools that focus on emotional and experiential aspects of the service delivery should be used (Zomerdijk and Voss, 2011).

Authors (Edvardsson et al., 2012; Kristensson, Gustafsson and Archer, 2004; Sigala, 2012b) have emphasised the importance of involving customers throughout the NSD process, however most of the recent customer involvement studies focus mainly on one phase of the NSD process. Hence, there is a lack of studies examining customer involvement throughout and/or in several phases of NSD. Some studies have outlined methods suitable for acquiring customer information (e.g. Alam, 2002; Lagrosen, 2005; von Hippel, 1986), from which some methods are seen to suit for particular phases of the development process and others being appropriate for the gathering of customer information throughout the entire process (von Koskull and Fougré, 2011). Nevertheless, Nijssen and Lieshout (1995, cited in von Koskull and Fougére, 2011) bring forth that there is little information available concerning the extent and the way in which customers are involved in real cases of service development praxis. This applies also to the tourism and hospitality context.

1.3 PURPOSE OF THE STUDY

As the previous chapter shows, there are several research gaps related to involving consumers in experiential service development processes. The
purpose of the thesis is to increase understanding about customer involvement in new experiential tourism service development. To examine these issues, this study first aims to further conceptualise an experiential service. The second aim of the study is to contribute to service marketing and management literature by discussing customer involvement and consumer service experience in the NSD process of experiential services, and examining the contribution and usefulness of diverse methods utilised in new experiential service development. To explore these issues in more detail, the following sub-questions are posed:

1. How is the experiential aspect of tourism services considered in the new service development processes?
2. How do different consumer involvement methods contribute to new service development in the experiential service context?
3. What influences the utilisation of customer involvement in an NSD in the tourism industry?

The context of the study – wellbeing and nature-based tourism – was chosen as it represents one of the most highly experiential consumption contexts that have previously been overlooked (Batat and Frochot, 2014).

The theoretical framework of this study discusses what the issues that need to be considered are when experiential services are developed. To fulfil the first aim of the thesis, the literature review discusses the concepts of experience and highlights the special characteristics of experiential service. The concept of an experiential service is defined after the conceptual discussion. The theoretical part of the thesis answers together with the research articles to the research questions. Table 1 indicates how articles included in this study help to answer the questions.
<table>
<thead>
<tr>
<th>Article</th>
<th>Research objectives</th>
<th>Sub-questions examined in the articles</th>
<th>Research themes</th>
</tr>
</thead>
</table>
| Article I | Examines the suitability of an ethnographic approach in external testing phase of new service development process. The usability and usefulness of an ethnographic approach in tourism NSD are examined by discussing and describing what kind of information is gained through the process, and what kinds of challenges the approach has. | 1. How is the experiential aspect of tourism services considered in the new service development processes?  
2. How do different consumer involvement methods contribute to new service development in the experiential service context? | Customer involvement methods, NSD process, characteristics of experiential tourism service, consumer service experience |
| Article II | Examines the suitability of the Delphi method in new service development. The suitability and opportunities provided by the Delphi method in the tourism sector are assessed by examining the applicability of the method in data collection and customer involvement for different purposes in NSD. In addition, emphasis is placed on evaluating what kind of information is gained through the process. | 1. How is the experiential aspect of tourism services considered in the new service development processes?  
2. How do different consumer involvement methods contribute to new service development in the experiential service context? | A customer’s and firm’s activities and resources, consumer service experience |
| Article III | Examines the willingness and ability of a company to utilise customer involvement, benefits driven from customer involvement and willingness of customers to participate in new service development (NSD) in different stages of the process. | 2. How do different consumer involvement methods contribute to new service development in the experiential service context?  
3. What influences the utilisation of customer involvement in an NSD in the tourism industry? | Customer involvement methods, phases of NSD process, firm’s activities and resources, benefits and challenges of NSD |
1.4 KEY CONCEPTS OF THE STUDY

The key concepts of this study are briefly defined in Table 2. A more detailed discussion of the main issues and concepts is presented in the theory section.

Table 2: Key concepts of the study

<table>
<thead>
<tr>
<th>Concept</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service as a product</td>
<td>“Services are economic activities that create value and provide benefits for customers at specific times and places, as a result of bringing about a desired change in – or on behalf of – the recipient of the service” (Lovelock et al. 1999).</td>
</tr>
<tr>
<td>Consumer service experience</td>
<td>A consumer service experience is a subjective experience of an individual that includes the personal experience of the service process (including the interaction between a consumer and/or a service provider, the environment, etc.) that leads to the experience of the outcome from the service, which may be experiential or not. (Own definition, see chapter 2.1.3)</td>
</tr>
<tr>
<td>Experiential service</td>
<td>An experiential service is an economic activity in which a service provider provides prerequisites that enable a consumer, through involvement, to experience something that is internal and emotionally engaging or affective and appeals to consumer’s hedonic and/or eudaimonic motivations, leading to experiential value. (Own definition, see chapter 2.2.2)</td>
</tr>
<tr>
<td>Co-creation</td>
<td>Co-creation refers to customer involvement in the offering creation process and to the associated value outcomes for the parties involved (Mustak et al., 2013; Vargo and Lusch, 2004).</td>
</tr>
<tr>
<td>Customer involvement</td>
<td>Customer involvement in service innovations is an interactive process including collaboration between current and/or potential customers and the service provider at the process of service development based on identified latent needs of customers (Matthing et al., 2004).</td>
</tr>
<tr>
<td>New service development</td>
<td>New service development is a process that includes different iterative development phases aiming to develop a new service offering (Alam, 2006; Johnson et al., 2000; Menor et al., 2002).</td>
</tr>
</tbody>
</table>
Wellbeing tourism

“Wellbeing tourism includes trips taken by people who temporarily travel outside their normal living environment for reasons of personal wellbeing, enhancing and promoting health, and self-indulgence. The motivations and expected services include wellbeing tourism element(s): wellness, promoting health, sports and fitness, adventure, and transformation or spirituality. Wellbeing tourism experiences emerge in the process of interaction between a consumer, wellbeing services and service providers, and the destination attributes such as natural and wellness resources and infrastructure.” (Konu, 2014)

Nature-based tourism

“Nature-based tourism includes tourism in natural settings (e.g. adventure tourism), tourism that focuses on specific elements of the natural environment (e.g. safari and wildlife tourism, nature tourism, marine tourism), and tourism that is developed in order to conserve or protect natural areas (e.g. ecotourism, national parks)” (Hall and Boyd, 2005).

Tourism product

A tourism product is a customer’s subjective experience, that has a certain price, includes a set of tangible and intangible elements (Carmichael, 2005), and that develops in a process where customers utilise services by participating himself/herself to the creation process of the product (Komppula and Boxberg, 2002).

1.5 POSITIONING OF THE STUDY

Current marketing theories recognise the customer as the focal point of marketing. The perspectives – SDL, SL and customer-dominant logic – in services marketing and management have shifted the focus towards a service perspective on marketing (Grönroos and Voima, 2013; Vargo and Lusch, 2004), and the role of a customer, interactions and customer experiences in product and service design, production and consumption has been emphasised (Grönroos, 2006; 2008; 2011; Payne et al., 2009; Prahalad and Ramaswamy, 2004a; 2004b; Vargo and Lusch, 2004). The interaction is usually described as a dialog between customers and service providers, and hence the traditional top-down approach is replaced with dialogues between customers and suppliers as equal partners (Vargo and Lusch, 2004; 2006; Payne et al. 2009). However, this scope has been expanded and it is argued by service scholars (McCull-Kennedy, Gustafsson, Jaakkola, Klaus, Radnor, Perks and Friman, 2015; Jaakkola et al.,
that there is a need to move away from the dyadic firm-customer relationship and recognise also other actors as well as looking beyond the firm’s actions and interactions that are solely focused on service encounters. Recent studies have aimed to achieve deeper understanding about the service experience concept by combining diverse fields offering varying perspectives on service experience, namely SDL, SL, consumer culture theory, and service innovation and design (Akaka, Vargo and Schau, 2015; Jaakkola et al., 2015).

The importance of customer involvement in new service development through co-creation is increasingly recognised by researchers and managers (Mustak, Jaakkola and Halinen, 2013; Payne et al., 2008). The literature discusses the co-creation of products and services (also referred as co-production in Lusch et al., 2007) as a new way to create value, both for customers and for businesses, as the co-creation enables customers to co-construct the service to suit their purposes and needs (Miettinen, 2009; Prahalad and Ramaswamy, 2004a). Customer involvement in the creation of offerings is seen to provide value for both customers and firms (Mustak et al., 2013). However, these studies focus mainly on examining value co-creation during service encounters and hence customer involvement in developing new services has received less attention.

Studies have also showed that especially in the high-involvement service contexts, such as tourism and hospitality, customer involvement leads to higher customer satisfaction (Bloemer and Ruyter, 1999). As mentioned in previous sections, tourism represents a highly experiential context of services. The special characteristics of experiential services influence the issues that need to be considered when these kinds of services are developed. It is also noted that traditional research methods are not sufficient to study experiential services and consumer service experiences, which call for phenomenological methods, as well as an emphatic and ethnographic approach to study and develop consumer service experiences and experiential services (Helkkula et al., 2012; Zomerdijk and Voss, 2011).

This study positions itself in the field of services marketing and management and to the discussions of experiential services, customer involvement and new service development (Figure 1). The context of the study is experiential tourism services. The articles comprising this dissertation examine the development of new experiential tourism service offerings in order to better understand the phenomenon and emergence of consumer service experience.

This study contributes to the discussion of new service development and customer involvement by providing insight to the less studied field of experiential services. It can be argued that the nature and characteristics of the experiential services influence the practices (e.g. customer involvement methods) used in development processes.
1.6 OUTLINE OF THE STUDY

This doctoral thesis is an article-based dissertation and it comprises the theory section and three articles that are reprinted in the latter part of the work. After the introduction, the thesis is divided into four parts. The introduction demonstrates the relevance of the study. The second section focuses on the theoretical background of the work and introduces the framework of the empirical study. The theory section begins with an overview of the experience concepts used in service management and marketing, and a discussion of their interrelations. Starting with the concept of experience and going through several experience concepts, the discussion eventually specifies the consumer service experience. Second, the experiential service is defined and in particular tourism services as experiential services are discussed. The section also discusses what needs to be considered in experiential service development and how consumers can be and should be involved to the process.

In the third section, the research strategy of this study is introduced in more detail including the description of the methodological approach chosen, and the data and methods used in empirical parts of the articles are described. In the fourth section, the main results of the three articles are reviewed and supplemented. The fifth part includes the conclusion and discussion of the central themes of the study.
2 Customer involvement in experiential service development

2.1 CONSUMER SERVICE EXPERIENCE

2.1.1 Introduction of the concept of experience

In English the word experience can refer to two different aspects; on the one hand it refers to a process or moment-by-moment living through an event (in German Erlebnis), and on the other hand it refers to an experience that is evaluated or the knowledge gained after an event (in German Erfahrung) (e.g. Highmore, 2002; Komppula and Gartner, 2013; Palmer, 2010). Hence, the English language is challenging in this respect as the word experience can be both a noun and a verb with different meanings (Palmer, 2010; Tynan and McKechnie, 2009). This has also caused difficulties when researchers attempt to define the concept of experience. Referring to this, Palmer (2010, p. 197) states that “[t]he ambiguity for marketers is that on the one hand, experience is a learned outcome that is associated with predictable behaviours, whereas on the other it has come to be associated with processes whose novelty may result in unpredictable response by consumers”. The difficulty of defining the concept of experience has been noted and deliberated on by several researchers (e.g. Carú and Cova, 2003; Chhetri, Arrowsmith and Jackson, 2004; Gupta and Vajic, 2000; Knutson and Beck, 2003; Scott, Laws and Boksberger, 2009; Tynan and McKechnie, 2009). For instance, Knutson and Beck (2003) state that experience as a concept is seen to be difficult to define and measure because it has multiple elements and is individualised in nature. The concept of experience has also been defined in different frames connected to organisational perspectives, individualistic perspectives, psychological perspectives and social perspectives (Jennings et al., 2009).

Discussions about experiences started in different disciplines as early as the 1960s. To give a few examples, Maslow (1964) discussed peak experience, Csikszentmihalyi (1975) flow, and Abrahams (1986) extraordinary experience. The experiences are often approached by using a dichotomy between ordinary and extraordinary experiences (Abrahams, 1986), mere experience and an experience (Turner, 1986), mundane and extraordinary or memorable
experiences (Schmitt, 1999). This is mostly the case in the social sciences, however, some marketing scholars have also adopted and discussed this approach (e.g. Schmitt, 1999; and later e.g. Carú and Cova, 2003; Walls, Okumus, Wang and Kwun, 2011). In relation to the sociology of consumption, Edgell, Hetherington and Warde (1997, cited by Carú and Cova, 2003, p. 276) emphasise four typologies of ‘consumption experience’: family experiences (arising from family ties), friendship experiences (arising from interactive relations within a community), citizenship experiences (connected to relations with the state), and consumer experiences (linked to exchanges with the market). Hence, not all the consumption experiences are related to the market and thus are not always market consumption experiences or consumer experiences (Carú and Cova, 2003).

Carú and Cova (2003) propose two diverse definitions of the word experience: one that is used habitually in the social sciences and the other in marketing. They say that experience (in the social sciences) “is defined as a subjective episode in the construction/transformation of the individual, with, however, an emphasis on the emotions and senses lived during the immersion at the expense of the cognitive dimension” (ibid, p. 273). The experience in marketing has a more objective meaning and confirms “the idea that the result may (must?) be something extremely significant and unforgettable for the consumer immersed into the experience” (ibid, p. 273). Two common aspects also identified by Knutson and Beck (2003) can be seen from the definitions above. First, experiences are dependent on a person as they require the involvement of an individual. Second, experiences are individualised as they are internal in nature. These aspects apply to definitions that are used in both social sciences and in marketing.

In marketing and management literature, studies of hedonic consumption experiences emerged at the beginning of the 1980s (e.g. Holbrook and Hirschman, 1982; Hirschman and Holbrook, 1982). From the marketing perspective, studies that focus on experience as a noun usually define it as an outcome that is created or designed. For instance, Pine and Gilmore (1998, p. 98) state that “[a]n experience occurs when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event”. They also emphasise that a firm’s role is to stage experiences for its customers. Gupta and Vajic (2000, p. 35) identify diverse aspects of experience but they focus on examining the experience “as an economic entity in a setting deliberately designed by the service provider” and hence referring to an experience as a service product. They continue that an experience includes learning that takes place during interaction between a customer and a service provider and the settings that the service provider has created. During this interaction the customer and service provider together create an experience that is unique and context-specific. Similar aspects are
brought to the fore in the discussion of the co-creation of experiences (Prahalad and Ramaswamy, 2004a; 2004b; Scott et al., 2009).

Some researchers have adapted frameworks used in consumer behaviour to classify experiences. For example, experiences are differentiated by dividing them according to what kind of value they offer a customer: instrumental/utilitarian/functional value or hedonic/experiential value (Gentile et al., 2007; Scott et al., 2009). However, it is important to recognise that the context and the type of product or service affect which kind of value is felt to be more important. Both kinds of value are present in the customer experience, but the context and the nature of the service defines what the customer perceives to be more important.

2.1.2 Diverse concepts of ‘experience’ in services management

Several studies have discussed the concept of experience from diverse aspects. The service management literature includes several concepts of ‘experience’ such as consumption experience (Carú and Cova, 2003; Holbrook, 2006), customer experience (Gentile et al., 2007; Lemke, Clark and Wilson, 2011; Palmer, 2010; Walter, Edvardsson and Öström, 2010), total customer experience (Berry, Carbone and Haeckel, 2002; Mascarenhas et al., 2006), consumer experience (Carú and Cova, 2003; Schmitt and Zarantonello, 2013; Walls et al., 2011) and service experience (Helkkula, 2011; Pareigis, Echeverri and Edvardsson, 2012; Walter et al., 2010; Zehrer, 2009). The hospitality and leisure literature includes several contributions connected to concepts such as leisure experience, travel experience and tourist experience (e.g. Komppula and Gartner, 2013; Patterson and Pegg, 2010; Quan and Wang, 2004; Quinlan Cutler and Carmichael, 2010; Ryan, 2002; Scott et al., 2009; Uriely, 2005; Volo, 2009). Many of the studies focused on examining the concepts of experience in marketing and management field focus more on managerial activities and outcomes instead of discussing the underlying theories of customer experience (Verhoef, Lemon, Parasunaman, Roggeveen, Tsios and Schlesinger, 2009). However, some authors have concentrated on analysing the nature and context of diverse experience concepts, such as consumption experience (Carú and Cova, 2003), consumer experience (Walls et al., 2011), service experience (Helkkula, 2011) and tourist experience (Uriely, 2005). Figure 2 illustrates how the interrelationships of the experience concepts are seen in this study.
This study acknowledges that not all consumption experiences are consumer experiences or extraordinary experiences (Carú and Cova, 2003), and in this study the interest is only on that part of consumption experience that is related to the market – the consumer experience. Next the different concepts of experience are discussed in more detail to explain the reasoning behind figure 2.

The concept ‘customer experience’ is commonly used in marketing and management studies. However, in many of the studies the concept is not well defined and the studies may also use other experience concepts interchangeably (e.g. consumer experience, service experience or tourist experience). The word customer can refer both to an individual consumer and to an organisation as a customer. Originally, customer experience was connected to the literature deriving from consumer behaviour (Gentile et al., 2007) and thus was connected to an experience of an individual consumer. The book “Experience Economy” by Pine and Gilmore (1999) presented the customer experience from a different perspective as it presented experiences as a new economic offering. Following this, several authors studied customer experience as a new way to create value for customers and businesses (Carú and Cova, 2003; Gentile et al., 2007; Prahalad and Ramaswamy, 2004a; Schmitt, 1999). Since then, the term customer experience has also been used in the business-to-business (B2B) context (e.g. Lemke et al., 2011).

Many definitions of a customer experience refer to the experience of an individual consumer – to consumer experience. Even if individual experiences have a central role in experience discussions, it is surprising that only a few studies have defined or use the concept of ‘consumer experience’. Schmitt and Zarantonello (2013, p. 30) state that the term consumer experience “(or rather “customer experience”)” has been used in marketing studies to refer marketing-related experiences. This statement brings forth the fact that consumer experience and customer experience are, in many studies, used as synonyms.
without necessarily giving a more detailed definition for them (e.g. Harris, Baron and Parker, 2000; Hogg and Banister, 2001; Tsai, 2005).

The definitions of ‘customer experience’ include several diverse elements that also characterise ‘consumer experience’. However, the small differences in the concepts should be noted. Customer experience is seen to originate from a set of interactions between a customer and a service provider or a product (e.g. Gentile et al., 2007; Gupta and Vajic, 2000; LaSalle and Britton, 2003; Shaw and Ivens, 2005), it is regarded personal (e.g. Schmitt, 1999), the customer is involved in it at different levels (e.g. rational, physical, and emotional) (e.g. LaSalle and Britton, 2003; Schmitt, 1999), and it is evaluated by a customer who compares his/her expectations and the stimuli that comes from the interaction between the service provider and/or its offering at different touch-points or moments of contact (e.g. LaSalle and Britton, 2003; Shaw and Ivens, 2005). Gentile et al. (2007) propose a multidimensional approach and describe the customer experience through six components that can be seen as dimensions of it, namely sensorial, emotional, cognitive, pragmatic, lifestyle and relational components. They also argue that the diverse components of the customer experience depend upon the characteristics of a particular product or service.

Some studies have used the term ‘consumer experience’ in particular and for example Kim, Cha, Knutson and Beck (2011) develop their definition based on common threads of previous research that have defined a customer experience. They find that a consumer experience is holistic (and thus multidimensional), involving diverse levels and individuals. According to Schmitt and Zarantonello (2013, p. 30), consumer experience is something that a consumer senses, perceives as well as being how (s)he evaluates marketing activities. The multidimensionality is also emphasised by Walls et al. (2011) who also highlight the consumer aspect and the consumer’s willingness to interact with businesses, services, and products: “[a] consumer experience is the multidimensional takeaway impression or outcome, based on the consumer’s willingness and capacity to be affected and influenced by physical and/or human interaction dimensions and formed by people’s encounters with products, services, and businesses influencing consumption values (emotive and cognitive), satisfaction, and repeat patronage” (ibid., pp. 17-18). Walls et al. (2001) also concede that consumers do not have their experiences in a vacuum, but that the experience is influenced, for example, by individual characteristics and situational factors. All these diverse factors may have a strong or weak impact on the consumer experience components and thus contribute to the formation of a unique individual experience.

Some studies also bring forth the temporal aspect of customer experience (Arnould, Price and Zinkhan, 2002; Carú and Cova, 2003; Verhoef et al., 2009; Tynan and McKechnie, 2009), and the temporality aspect has been discussed in the Nordic School of service marketing and management, especially related to customer-dominant logic. In these discussions, the customer experience is seen
to emerge in the customer’s life world and hence the temporal dimensions include also past (history) and future experiences of a customer (Heinonen, Strandvik, Mickelsson, Edvardsson, Sundström and Andersson, 2010; Heinonen, Strandvik and Voima, 2013; Helkkula et al. 2012). This is supported by the notion of subjectivity of experiences as “[s]ubjectivity includes the consciousness of a self which has a past, a present, and a future” (Schmitt and Zarantonello, 2013).

The definitions above emphasise the holistic nature and multidimensional characteristics of a customer or consumer experience. Aspects such as ‘interaction’, ‘personal’, ‘involvement’ and ‘emotional’ are connected to the definitions. Many of the components proposed by Gentile et al. (2007) and the aspects of the customer experience invoked by Verhoef et al. (2009) and Mascarenhas et al. (2007), and the studies made by the Nordic School of service marketing and management highlight the experience of an individual (e.g. emotional and related to lifestyle, emergence in the customer’s lifeworld) and are not necessarily suitable to describe a business customer experience. Many of the definitions also include references to two participants who co-create the consumer experience: a consumer or a customer and a supplier or a company. It is noteworthy that the business aspect is rather strong in some of the definitions, as, for example, Verhoef et al. (2009) discuss issues that are within a retailer’s control. In light of the discussion above it can be argued that the nature of a customer experience is dependent on considerations such as 1) whether a customer experience is an experience of an individual consumer or a business customer and 2) what kind of product or service it is related to.

As the discussion above shows, the concepts of experience have been conceptualised by using different characteristics and raising diverse issues. Table 3 gives an overview of some of the characteristics that are used in relation to the experience concepts.
Table 3: Characteristics of an experience

<table>
<thead>
<tr>
<th>Characteristics/Issues addressed</th>
<th>Amount of appearance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal/individual/subjective</td>
<td>13</td>
</tr>
<tr>
<td>Involving/Involvement</td>
<td>4</td>
</tr>
<tr>
<td>Sensorial</td>
<td>3</td>
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<tr>
<td>Emotional</td>
<td>14</td>
</tr>
<tr>
<td>Physical</td>
<td>4</td>
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<tr>
<td>Cognitive</td>
<td>7</td>
</tr>
<tr>
<td>Pragmatic</td>
<td>1</td>
</tr>
<tr>
<td>Holistic</td>
<td>3</td>
</tr>
<tr>
<td>Relational/depends on context/situation</td>
<td>5</td>
</tr>
<tr>
<td>Interaction</td>
<td>15</td>
</tr>
<tr>
<td>Evaluated outcome</td>
<td>5</td>
</tr>
<tr>
<td>Interaction</td>
<td>5</td>
</tr>
<tr>
<td>Process/living through things</td>
<td>6</td>
</tr>
<tr>
<td>Ordinary/Ordinary/memorable/flow</td>
<td>4</td>
</tr>
<tr>
<td>Optional/Utilitarian/functional value</td>
<td>2</td>
</tr>
<tr>
<td>Offers hedonic/experiential value</td>
<td>5</td>
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<tr>
<td>Offers instrumental/utilitarian/value</td>
<td>5</td>
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<tr>
<td>Temporal dimension</td>
<td>7</td>
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<tr>
<td>Peaks/extraordinary/memorable/flow</td>
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<tr>
<td>Maslow</td>
<td>1964</td>
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<tr>
<td>Csikszentmihalyi</td>
<td>1975</td>
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<td>Abrahams</td>
<td>1986</td>
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<td>Turner</td>
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<td>Arnould and Price</td>
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<td>Gupta and Vajic</td>
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<td>LaSalle and Britton</td>
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The commonly cited studies of experience made before the 1990s focus on the experience as something that is ongoing in life. These definitions include, e.g. ordinary acts and embody feelings and meanings (see e.g. Abrahams, 1986). These studies bring forth experiences that are something extraordinary or memorable in comparison to more ordinary or everyday experiences. Arnould and Price (1993) can be regarded as the first ones that have adapted the concept of extraordinary experience in one particular consumption context when they studied white water river rafting. After their study, more authors have focused on studying experiences in consumption contexts. Studies made in service marketing and management usually examine the consumption, customer or service experience. The most common characteristics and issues that are connected to the concepts of experience are interaction, emotionality and personal, individual or subjective (see Table 3). Customer and consumer experiences have been studied in both retail (e.g. Verhoef et al., 2009) and service (e.g. Walter et al., 2010; Zehrer, 2009) contexts. In this study, the interest is in the service experience and thus the concept of ‘consumer service experience’ is discussed next.

2.1.3 Conceptualising the consumer service experience

The concept ‘service experience’ is connected to the utilisation and consumption of services. It may refer to the whole process of interaction between a customer and a service provider, employees, service settings, other customers and environment (e.g. Johnston and Clark, 2005; Meyer and Schwager, 2007; Otto and Ritchie, 1996; Paregeis et al., 2012; Walter et al., 2010) or to the outcome of the service i.e. customer value (e.g. Meyer and Schwager, 2007; Otto and Ritchie, 1996). It is usually seen that service experience is provided or facilitated for customers by the service provider (McColl-Kennedy, Cheung and Ferrier, 2015). However the recent discussions bring forth that there is a need to move away from this kind of dyadic firm-customer perspective and accept a broader view that recognises that there potentially are multiple actors involved (Carú and Cova, 2015; Frow, McColl-Kennedy, Hilton, Davidson, Payne and Brozovic, 2014).

According to Helkkula’s (2011) extensive review, the concept of service experience can be distinguished by 1) phenomenological characterisations (relating to service-dominant logic and interpretative consumer research), 2) process-based characterisations (referring to understanding service as a process), and 3) outcome-based characterisations (relating to understanding a service experience as a part of a causal model).

The approach characterising service experience as a process, focus on the process elements, functioning and management of service experience (Dube and Helkkula, 2015). This includes the discussion of interaction between customers, employees, facility and technologies and the management discussions of service
experience, and issues related to service experience formation, such as service design and service innovation (Edvardsson, Enquist and Johnston, 2010; Pine and Gilmore, 1998; Paregeis et al., 2012).

Service experience as an outcome emphasises the service experience as a consequence of other constructs (Helkkula, 2011). Studies aim to recognise e.g. factors that influence service experience (e.g. Verhoef et al., 2009). The service experience as an outcome is also seen to correspond to customers’ expectations and motivations (Menon and Bansal, 2007) as well as customer value, which is a subjective experience of the individual consumer (Gunn, 1994; Holbrook, 2006; Walter et al., 2010).

Service experience as a phenomenon implies that service experiences are “internal, subjective, event-specific and context-specific” and take place in customers’ everyday lives (Helkkula, 2011, p. 375). Interpersonal interaction is recognised as an important trigger from the phenomenological point of view, in which the experience is considered social and relational although specific to an individual (Helkkula, 2011; Jaakkola et al., 2015).

The recent conceptualisation of service experience by Jaakkola et al. (2015, p. 186) considers the different characterisations and the fact that the service experience can be the experience of different actors involved in the process: “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.”

In light of the reviews of the diverse definitions of experience concepts in this study, consumer service experience is defined as a subjective experience of an individual that includes the personal experience of the service process (including the interaction between a consumer and/or service provider, the environment, etc.) that leads to the experience of the outcome from the service, which may be experiential or not. The consumer service experience is influenced by the context, situational factors and personal characteristics, and it also needs to be noted that the experience emerges in the world the customer is living in and thus the consumer service experience is not restricted just to pre-experience, participation and post-experience but has a wider temporal scope.

2.2 SERVICE AS AN OFFERING

2.2.1 Types of services
As Gentile et al. (2007) note, the characteristics of the particular service have an influence on the dimensions of a customer experience, the typologies of services need to be reviewed before defining experiential services. Traditionally, a service is differentiated from physical goods in different ways, but the most usually mentioned difference is that services are intangible (see e.g. Lovelock, Vandermerwe and Lewis, 1999; Walter et al., 2010). In addition to intangibility,
services are described by using terms such as perishable (Kandampully, 2002), heterogenic (Dawes and Rowley, 1996) and simultaneous (Zehrer, 2009). Lovelock et al. (1999, p. 7) define services as follows: “Services are economic activities that create value and provide benefits for customers at specific times and places, as a result of bringing about a desired change in – or on behalf of – the recipient of the service”. More narrow definitions of services have relied on listings of industries and examples contained in the service sector (Cook, Goh and Chung, 1999).

The theory of service marketing underlines the added value of a service, which emerges at each stage of the service process (e.g. Grönroos, 2000). The goal and the desired outcome for a customer is value, which is a subjective experience of the individual consumer (Gunn, 1994; Holbrook, 2006; Walter et al., 2010). In some studies, a service product is seen to mean customer value; the service product offers the perceived benefits in order to meet the needs and desires of a consumer as well as giving value for money and service quality (Middleton and Clarke, 2001).

Several authors have pointed out that a service company cannot create value for a consumer, but that the value is generated in the service process (e.g. Grönroos, 2006) and a service company can provide the settings and prerequisites for services and facilitate service experiences (e.g. Edvardsson and Olsson, 1996). The prerequisites can be illustrated with a model including three basic components: service concept, service process and service system (Edvardsson and Olsson, 1996). The service system contains all of the resources available to the service process for realising the service concept (Edvardsson and Olsson, 1996). This includes the internal and external resources of a service provider. External resources include, e.g. the physical environment in which the service takes place. To be able to provide a working service process that leads to the realisation of the service concept (being the core of the service), all stakeholders need to be involved in the process. In other words, consumers, the service company’s personnel, technical and physical environments and the organisation that controls diverse resources need to be involved (Komppula, 2006; Konu et al., 2010). Thus descriptions and blueprints of the various activities and interaction between all actors are needed to be able to generate the service process (Konu et al., 2010). The service concept is the description of the needs and desires of a consumer and how they are to be satisfied (Edvardsson and Olsson, 1996; Komppula, 2006; Konu et al., 2010). This also refers to customer value (Komppula, 2006; Konu et al., 2010) and in this study to experiential value.

Service typologies are developed to address the complexities of services (Cook et al., 1999). Already in the 1940s, services were seen as one important sector of a post-industrial economy (Clark, 1940). Clark (1940) divided services into three groups, of which one was a group of ‘other services’ containing services aiming to involve and improve the customer (e.g. recreational, health-
care and educational services). After that, services have been categorised in different ways based on diverse attributes such as the type of delivery, tangibility of service processes, the user sectors, the nature of service activity, type of client relationship and degree of standardisation, place and time of service delivery, contact intensity and variety of services, and which facilities, equipment and people are a part of the service experience (e.g. Bullinger, Fähnrich and Meiren, 2001; Fähnrich, Meiren, Barth, Hertweck, Baumeister, Demuß, Gaiser and Zerr, 1999; Glückler and Hammer, 2011, Lovelock and Wirtz, 2011).

Most of the service typologies have an organisational perspective as the aim is to “better understand the characteristics differentiating service organizations and to give researchers a foundation for developing theories about the forces at work within specific organizations” (Cook et al., 1999, p. 318). Cook et al. (1999) made an extensive review on service typologies and they developed a schematic representation including important dimensions of diverse classification schemes in the literature. According to them, research has typically focused on either the product or the process elements of services. They state the need to integrate both of the aspects of services and address the interaction between the two areas.

Some studies have examined the service from a customer experience perspective. In these studies, the customer experience is divided into core, related and other customer experiences (Heinonen et al., 2010; Heinonen and Strandvik, 2015), direct and indirect customer experiences (Dube and Helkkula, 2015), and core or peak and supporting customer experiences (Klaus and Maklan, 2011; Quan and Wang, 2004). The core customer experiences represent the customer’s experience of the core or essence of the service that is subjectively experienced referring also to service concept mentioned above. The total customer experience (from the service) is also influenced by related, other, and indirect customer experiences, which refer to e.g. experiences that are related to other actors or take place outside the service provider’s control (Dube and Helkkula, 2015; Heinonen et al., 2010; Heinonen and Strandvik, 2015). The supporting customer experiences are seen the ones that enable and facilitate the core experience (Klaus and Maklan, 2011; Quan and Wang, 2004).

Ng, Russell-Bennett and Dagger (2007) created a typology for mass services by categorising them based on purpose of consumption (hedonic or utilitarian) and service delivery (individual or collective). One starting point of their typology is in consumer motivation theory (hedonic and utilitarian needs). According to Addis and Holbrook (2001), products or experiences can be categorised into three groups (utilitarian, hedonic and balanced) based on the weight put on the subjective responses and objective features. In hedonic products (services), consumers put more weight on their subjective responses such as emotions, beliefs, or loyalty related habits (Addis and Holbrook, 2001). These emotional and hedonic aspects of consumption are emphasised in experiential consumption by Holbrook and Hirschman (1982).
Some of the typologies and categories include the group of services that can be seen as experiential (e.g., hedonic products defined by Addis and Holbrook, 2001). However, these categorisations do not give a comprehensive picture of experiential services.

2.2.2 Earlier research on experiential services
Grönroos (2007) emphasises that “[a]ll services are perceived as either positive, neutral or negative experiences” (2007, p. 12). This way of thinking refers to the service experience that is gained during the service interaction. A customer will have a service experience regardless of the type of service (s)he is consuming. However, the nature of the service experience can differ in relation to the type of service consumed.

According to Hirschman and Holbrook (1982), consumers purchase products and services mainly for utilitarian or hedonic purposes and, for instance, products and services such as art and tourism have predominantly a hedonic meaning. In experiential consumption, consumers are seen to focus on hedonic aspects and functions of a product or a service, but it is also recognised that products and services have both utilitarian and hedonic functions (Hirschman and Holbrook, 1982). Experiential aspects of consumption have been highlighted by several authors (Holbrook and Hirschman, 1982; Holbrook, O’Shaughnessy and Bell, 1990; Levy, 1959) and it is noted that the experiential elements of consumption processes are characterised comparing the experiential approach to traditional approaches (Frochot and Batat, 2013, p. 24, adapted from Bourgeon and Filser, 1995; Schmitt, 1999). Table 4 lists attributes that are used to illustrate the experiential nature of consumption. These characteristics also fit experiential services.
Table 4: Characteristics of ‘experiential’

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Author(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involvement or participation of an individual</td>
<td>Knutson and Beck, 2003; Carú and Cova, 2003; LaSalle and Britton, 2003; Shaw and Ivens, 2005</td>
</tr>
<tr>
<td>Internal</td>
<td>Knutson and Beck, 2003; Carú and Cova, 2003</td>
</tr>
<tr>
<td>Personal</td>
<td>Schmitt, 1999</td>
</tr>
<tr>
<td>Value provided/emerged (hedonic/utilitarian), focus on hedonic component</td>
<td>Addis and Holbrook, 2001; Arnould and Price, 1993; Bourgeon and Filser, 1995; Frochot and Batat, 2013</td>
</tr>
<tr>
<td>Emotions and feelings, emotional benefits</td>
<td>Bourgeon and Filser, 1995; Frochot and Batat, 2013; Gentile et al., 2007; Holbrook and Hirschman, 1982; Schmitt, 1999; Schmitt and Zarantonello, 2013</td>
</tr>
<tr>
<td>Non-verbal and sensorial stimuli</td>
<td>Bourgeon and Filser, 1995; Frochot and Batat, 2013; Holbrook and Hirschman, 1982; Levy, 1959</td>
</tr>
<tr>
<td>Service consumed for itself</td>
<td>Bourgeon and Filser, 1995; Frochot and Batat, 2013; Holbrook and Hirschman, 1982; Levy, 1959</td>
</tr>
<tr>
<td>Holistic perception, difficulty to elaborate concise expectations</td>
<td>Bourgeon and Filser, 1995; Frochot and Batat, 2013</td>
</tr>
<tr>
<td>Symbolic</td>
<td>Holbrook and Hirschman, 1982; Levy, 1959</td>
</tr>
<tr>
<td>Sensorial</td>
<td>Gentile et al., 2007; Schmitt, 1999; Schmitt and Zarantonello, 2013</td>
</tr>
<tr>
<td>Cognitive</td>
<td>Gentile et al., 2007; Schmitt, 1999; Schmitt and Zarantonello, 2013</td>
</tr>
<tr>
<td>Lifestyle</td>
<td>Gentile et al., 2007; Schmitt, 1999</td>
</tr>
<tr>
<td>Relational</td>
<td>Gentile et al., 2007; Schmitt, 1999</td>
</tr>
<tr>
<td>Pragmatic</td>
<td>Gentile et al., 2007</td>
</tr>
<tr>
<td>Outcome: pleasure and memory</td>
<td>Bourgeon and Filser, 1995; Carú and Cova, 2003; Frochot and Batat, 2013</td>
</tr>
</tbody>
</table>

Examples of experiential services often come from experience industries such as tourism and hospitality (e.g. restaurants, theme parks, tourist destinations), and in previous studies, experiential services are in many cases described by giving
examples of types of services that can be regarded as experiential. For instance, services that can be regarded as experiential are hair salon services (Albers-Miller and Stafford, 1999; Dabholcar and Walls, 1999; Patterson and Smith, 2003), travel services (Patterson and Smith, 2003), cruise vacations (Duman and Mattila, 2005) nightclub and restaurant services, entertainment and activity services, shopping services (Zomerdijk and Voss, 2011), vacation and exercise services (McColl-Kennedy and Fetter, 2001). In addition of experiential service, different concepts are also used to express the experiential aspects of consumption in services, namely ‘experience’, ‘experiential offering’, and ‘tourist experience’ (Gupta and Vajic, 2000; Pine and Gilmore, 1998; Scott et al., 2009; Volo, 2009). Table 5 presents diverse conceptualisations and definitions of these.

Table 5: Experience as a service

<table>
<thead>
<tr>
<th>Representations of experience as a service or experiential service</th>
<th>Author(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>When a consumer buys an experience (s)he pays for the possibility to spend time and enjoy diverse memorable events that service providers “set on display”.</td>
<td>Mossberg, 2001; Pine and Gilmore, 1999</td>
</tr>
<tr>
<td>“An organization delivers an experiential service when it places the customer experience at the core of the service offering. Such organizations focus on the experience of customers when interacting with the organization rather than just the functional benefits following from the products and services delivered.”</td>
<td>Zomerdijk and Voss, 2011, p. 64</td>
</tr>
<tr>
<td>“…an experience involves learning during a period of time when the customers interact with different elements of a context created by the service provider. In the course of these interactions, during which activities and context reinforce each other, customers and service providers jointly create a unique, context-specific experience.”</td>
<td>Gupta and Vajic, 2000</td>
</tr>
<tr>
<td>Experiential services are services that customers can evaluate after they have been consumed/experienced.</td>
<td>McColl-Kennedy and Fetter, 2001</td>
</tr>
<tr>
<td>Compared to utilitarian services, the experiential services are characterised by higher levels of employee contact and customisation having strong people orientation. Experiential services are also closely connected to hedonic consumption as they are more personal and connected to motivations and attitudes of an individual, and are associated with emotions.</td>
<td>Albers-Miller and Stafford, 1999; Stafford and Day, 1995</td>
</tr>
<tr>
<td>The result of an experience “may (must?) be something extremely significant and unforgettable for the consumer immersed into the experience”</td>
<td>Carú and Cova, 2003</td>
</tr>
</tbody>
</table>
The representations of experience as a service or experiential service in Table 5 shows two different perspectives: the consumer perspective and the business perspective. For instance, Pine and Gilmore (1998) take an organisational perspective in which the staging of an experience has a central role, even though they acknowledge that “experiences are inherently personal, existing only in the mind of an individual who has been engaged on an emotional, physical, intellectual, or even spiritual level” (1998, p. 99). The business perspective also emphasise the element of interaction and employee contact in service provision (Albers-Miller and Stafford, 1999; Gupta and Vajic, 2000; Pine and Gilmore, 1998; Stafford and Day, 1995; Zomerdijk and Voss, 2011). In these definitions, the experience as a service or an experiential service is seen to be something that is also delivered, created for or designed for a consumer. However, several authors have noted that a company cannot provide or sell experiences but experiences can be facilitated by a service provider (McColl-Kennedy et al., 2015; Schmitt and Zarantonello, 2013). Schmitt and Zarantonello (2013) note that experiences are induced private events that occur as a response to stimulation, and businesses are focusing on the stimuli that may induce experiences for consumers.

The consumer perspective is connected to the internal and subjective experience of an individual. In experiential services, the hedonic aspects in seen to have strong role in the consumption (see e.g. Albers-Miller and Stafford, 1999), and as Carú and Cova (2003) note, the outcome for a consumer needs to be something significant and unforgettable. Hence, the consumer service experience of experiential service includes memorable experiences.

The experiential service should be examined from two different perspectives. However, the definitions presented above are rather limited and most of them focus either on the business or the consumer perspective. Some of them also fail to bring forth the characteristics of experiential services on a wider scale. The current discussion regarding experiential services seems to be limited to seeing the aim and motivation of consuming services as mainly hedonic (e.g. seeking fun, sensory simulation, arousal and enjoyment). On the other hand, several authors have contended that in addition to hedonic motivations, eudaimonic motivations also exist at the experiential level (Waterman, 2005; Waterman, Schwartz and Conti, 2008). Eudaimonia includes issues such as self-realisation, personal growth, realisation of one’s true potential and making life fulfilling (Ryan and Deci, 2000; Ryff, 1989). It is also noted that consumption is increasingly driven by the need for self-development and intellectual aspiration (Calver and Page, 2013; Richards and Wilson, 2006; Voigt, Howat and Brown, 2010). This study argues that consumption of an experiential service may be motivated both hedonic and eudaimonic motivations and it can provide hedonic and/or eudaimonic outcomes.
Interaction between a consumer and a service provider is also seen as a central component in diverse conceptualisations (Table 5). However, memorable experiences do not necessarily require this kind of dyadic interaction, but the memorable experience may emerge in different situations, e.g. watching the sunset on holiday.

It is widely recognised that services can evoke a wide range of positive and negative emotions such as pleasure, fear, excitement and boredom (Koenig-Lewis and Palmer, 2010), and emotions are an important component of the consumer response (Havlena and Holbrook, 1986; Oliver, 1994; Richins, 1997; Woodruff, 1993). It can be argued that consumers’ emotions can have an influence on their service preferences and varied services may arouse different emotions for individual consumers. In addition, it should be noted that consumers bring their emotions and feelings to their interactions with products and services (Addis and Holbrook, 2001). Addis and Holbrook (2001) bring forth that the emotions of a consumer during a consumption experience is a part of the subjective response of a consumer. According to Richins (2007), positive experiences usually result in some specific positive emotion, such as happiness or pleasure, and negative feelings such as fear or frustration are typically associated with negative experiences. However, this is not necessarily the case, as it is noted that eudaimonic wellbeing does not necessarily exclude negative emotions, as people may experience positive psychological growth when they have serious life challenges (Ryff and Singer, 1998; 2003) which leads to a situation in which negative emotions may result to positive outcomes.

It is noted that in experiential services, the focus is not just on the functional benefits to be derived from the services delivered (Voss and Zomerdijk, 2007; Zomerdijk and Voss, 2011), but increasingly on the experiential value a consumer obtains from the consumer service experience. In this study, the experiential value a consumer experiences when consuming an experiential service is seen as the core of the service. The experiential value is the subjectively evaluated outcome that emerges and comes through the service consumption process, and it is influenced by the personal characteristics, emotions and feelings of a consumer. The experiential value may include diverse consumption values (Sheth, Newman and Gross, 1991) and it can offer both extrinsic and intrinsic benefits (Mathwick et al., 2001).

This study agrees with the notion made by Scott et al. (2009) and Walls et al. (2011) that the experiential concept needs to be approached both from the consumer and business perspectives, and this applies also to experiential services. Hence, based on the discussion above it is noted that a business cannot create or provide an experience for a consumer, but it can offer the prerequisites and facilitate the experience. The experience a consumer will have is personal and includes diverse characteristics. The consumer also has a central role as (s)he is intensively involved in creating the experience. Hence, the outcome or the experiential value received by the consumer depends on the situation and
prerequisites of the experiential service. An experiential service also includes an interactional element; however it does not necessarily refer to interaction between a consumer and a service provider, but may also refer to interaction with other consumers or interaction with the environment.

Based on the discussions above in this study an *experiential service* is defined as an economic activity in which a service provider provides prerequisites that enable a consumer, through involvement, to experience something that is internal and emotionally engaging or affective and appeals to a consumer’s hedonic and/or eudaimonic motivations, leading to experiential value.

### 2.2.3 A tourism product as an experiential service

Tourism product can be defined in two distinct ways: first as a total tourism product including a combination of diverse elements or components a tourist consumes during a trip, and second as specific components (e.g. accommodation, attractions and transportation) that are offerings of individual tourism businesses (Koutoulas, 2004; Middleton, 1989). In this study, tourism product refers to the total tourism product that comprises from a set of tangible and intangible elements (Carmichael, 2005).

Tourists are seeking to experience certain activities or attractions at a destination, and consuming a tourism product, including bundle of services provided by service providers, offers tourists opportunities to access experiences sought (Koutoulas, 2004; Volo, 2009). Hence, tourism service is also referred in several studies as a tourist experience (Scott et al., 2009; Volo, 2009). Therefore, a tourism product can be defined both from a consumer perspective and from a service provider perspective. From a provider perspective the tourism product composes from diverse service modules that are specific service products provided by a single company or several companies at the tourism destination. From a consumer perspective, tourism product refers to the total tourist product as a tourist will have an experience from the whole trip regardless of whether the tourism services are bought separately or as a package (Medlik and Middleton, 1973).

Tourism consumption differs from other forms of services in several ways. The duration of the service experience of a total tourism product is longer as the customer stays a longer time in a different places and culture (Batat and Frochot, 2014) and it comprises several service modules (Komppula, 2006; Konu, 2015a). During this time, the customer will also experience several encounters with other actors and service providers in the service setting (Batat and Frochot, 2014). According to Batat and Frochot (2014), the service may also take place in locations where the tourist does not necessarily want to live on a daily basis, but they appreciate the resources the place has, such as weather and possibilities for certain activities. Hence, comparing tourism to some other services, the consumption experience is quite complex including complex mix functional, tangible and objective components, such as travelling and eating, and also
hedonic, emotional and subjective components, e.g. enjoyment and socialising (Williams and Soutar, 2005).

Tourism studies have discussed ‘tourist experience’ both from social science, and marketing and management perspectives. From the social science perspective, the tourist experience is regarded as a peak experience that is usually connected to attractions and is seen to be the motivation for tourism (Quan and Wang, 2004). The peak experience – also referred as memorable experience – is regarded as a sharp contrast to daily experiences (Quan and Wang, 2004; Pine and Gilmore, 1998). In the marketing and management approach, tourist experience is treated as a consumer experience (Quan and Wang, 2004) and the word “experience” is used as a synonym for instance to visit, activity, product, service or behaviour (Volo, 2009).

According to Quan and Wang (2004), a tourist experience comprises two dimensions: the peak touristic experience (referring to the experience of attractions that formulates the major motivations for tourism) and the supporting consumer experience (referring to experiences of gratifying basic consumer needs during the trip, e.g. sleeping). However, Quan and Wang (2004) note that also some of the supporting consumer experience can turn out to be a peak experience. Walls et al. (2001) have a similar dichotomy as a part of their framework of hospitality and tourism experiences developed to describe diverse components and effects that influence the consumer experience. The framework contains two axes that represent aspects connected to a concept of an experience: ordinary–extraordinary (cf. peak experience–daily experiences by Quan and Wang, 2004) and cognitive–emotive. Tourist experience may hence include extraordinary experience and daily, more ordinary experiences. The tourist experience may also range from positive to negative experiences, and the tourist may have very different experiences from the same situation showing that the tourist experience is subjective and individual characteristics as well as situational factors influence it (see e.g. Ooi, 2005; Walls et al., 2011).

A positive memorable tourist experience (MTE) has been defined as a tourist experience positively remembered and recalled after the event has occurred (Kim, Ritchie and McCormick, 2012), which refers to the outcome from the service consumption. However, Kim et al. (2012) note that all tourist experiences do not necessarily translate into MTEs. The temporality aspect of the experience is emphasised by Tung and Richie (2011) who posit that a MTE is composed of expectations, affect, consequentiality and recollection, meaning that the experience encompasses the whole trip from pre-, during and post travel.

As noted in section 2.2.2, experiential services are subjectively experienced by an individual consumer and thus personal characteristics, needs and preferences influence the overall consumer service experience and to the experiential value a consumer receives. A tourism product can include several different service components that all together facilitate the experiential value formation for a consumer. However, the tourist product can also include services or service
modules that a consumer wants to avoid. The consumer may be afraid of flying, but the flying to a destination may be a part of the tourism product. In this case, the flying can be seen to bring more functional value (means to travel from one place to another) in the tourism product. On the other hand, the mode of travel can also be the memorable experience as such (e.g. travelling across Siberia by Trans-Siberian Railway). Hence, it is subjective which parts of the tourism product are felt to be the most experiential or to create memorable experiences, and which services are desired and approached, and which avoided.

The subjective nature of a tourist experience is evident from the discussions above. The core of the tourist experience has usually referred to memorable experience or as a peak experience. However, it is important to recognise that all tourists do not necessarily expect memorable experiences form their trip (Komppula and Konu, 2012). The tourist experience is also seen to be the outcome of the tourism consumption process (consumption of the total tourism product) referring to the concept of customer value (or consumer value), which is regarded as a major contributor to the construct of customer experience (Middleton and Clarke, 2001; Palmer 2010). Even though the tourists gain their experience from the total tourism product, it needs to be remembered that the tourism product is formed from diverse service modules as noted in several studies (Batat and Frochot, 2014; Komppula, 2006; Konu, 2015a; Quan and Wang, 2004; Williams and Soutar, 2005). Hence, when the tourism product is examined, it should be noted that all service modules themselves can include both core and supporting experiences that together constitute the core and supporting experiences of the total tourism product.

In this study, a tourism product is seen as a customer’s subjective experience that has a certain price, includes a set of tangible and intangible elements (Carmichael, 2005), and that develops in a process where a customer utilises services by participating himself/herself in the creation process of the product (Komppula and Boxberg, 2002).

2.3 CUSTOMER INVOLVEMENT IN NEW SERVICE DEVELOPMENT

2.3.1 Customer involvement in the development of offerings
Several studies in different disciplines have emphasised the importance of customer involvement in service processes and in NSD (Alam and Perry, 2002; Bendapudi and Leone, 2003; Chan et al., 2010; Cheng et al., 2012; Hjalager and Nordin, 2011; Matthing et al., 2004; Nicolaisen and Scupola, 2011; Prahalad and Ramaswamy, 2004a; 2004b; Sjödin and Kristensson, 2012).

Grönroos (2008) emphasises that firms should gain deep understanding of people’s everyday practices to be able to develop new services and to do this firms need to develop customer-firm interactions that affect customer’s value
creating processes. Hence, the customer can be seen as a co-producer of the service and also as a co-creator of value (Grönroos, 2007; Lusch et al., 2007; Vargo and Lusch, 2004; 2006). It is also acknowledged that product and/or firm centric innovations are already partly replaced by the co-creation of experiences that act as a basis for value (e.g. Binkhorst and Den Dekker, 2009). In this study, co-creation refers to customer involvement in the offering creation process and to the associated value outcomes for the parties involved (Mustak et al., 2013).

Customer involvement in service innovations is defined as an interactive process including collaboration between current and/or potential customers and service providers in the process of service development based on identified latent needs of customers (Matthing et al., 2004). Customer involvement is usually used as a synonym for customer participation (Vargo, 2008) and this is also applied in this study. In relation to developing service offerings, customer participation is seen to refer “to a customer’s activities or provisions of tangible or intangible resources related to the development or creation of offerings” (Mustak et al., 2013). In this study, the customer involvement in developing service offerings include both the customer’s and service provider’s activities that are taken and resources allocated to co-create service offerings.

Customer involvement can be characterised by different types of behaviours (Edvardsson, Gustafsson, Kristensson, Magnusson and Matthing, 2006). According to Edvardsson et al. (2006), customers can be involved in two different ways in new service development. First, customers can be involved in order to learn more about customers including stated and latent needs, preferences and values. The aim is to understand customer needs to be able to identify things that create value for them. This corresponds to the notion of Nambisan (2002), when he refers a customer as a resource – a source of new service ideas. This type of involvement is applied usually in the idea generation phase (Nambisan, 2002) and it is practiced in many development processes (see e.g. von Koskull and Fougére, 2011). In the second type of involvement addressed by Edvardsson et al. (2006), customers can be involved as innovators or co-creators by using various pro-active techniques, such as idea creation, idea assessment, and creating new solutions to meet the recognised needs. The similar role is recognised by Nambisan (2002), when a customer is referred as a co-creator. Customers can act as co-creators when they take part in different service design and development activities. In this latter case, customers can be included, for instance, as members of an NSD project team. In addition to the two ways of customer involvement identified by Edvardsson et al. (2006), Nambisan has highlighted that a customer also has a role as a user of services. Customers as users can contribute to testing and commercialisation (Nambisan, 2002) by evaluating the suitability and functionality of services. The different roles of customers are also recognised by Hjalager and Nordin (2011) when they state that a customer may have an active or passive role in NSD depending on the level of interaction in the NSD.
2.3.2 New service development

New service development (NSD) refers to the process of generating, developing and launching new services and service offerings (Johnson, Menor, Roth and Chase, 2000). NSD can also be defined as a learning and knowledge creation process in which different kinds of information and gained knowledge are utilised and transformed to new services (Hargadon, 1998; Matthing et al., 2004).

According to Cooper (1994), the new product development (NPD) process can be defined as including a set of activities, tasks, actions and evaluations that lead from the idea generation to launch of a new service. Studies on NPD and NSD have introduced diverse development process models that support new product/service development. These models describe diverse phases and structures of NSD. For instance, Johnson et al. (2000), divide the NSD process into a planning stage containing idea generation and screening, a development stage including service design, process development and prototype testing, and a market launch stage that consists of marketing and educating staff and customers about the new offering.

Several NSD models have their roots in NPD theory and hence most NSD models include similar phases as traditional NPD models, namely strategic planning, idea generation and screening, business analysis, formation of cross-functional teams, service or product and process system design, personnel training, service or product testing and piloting, test marketing and commercialisation (Alam and Perry, 2002; Bendapudi and Leone, 2003; Bullinger et al., 2001; Hart and Baker, 1994; Kingman-Brundage and Shostack, 1991; Nambisan, 2002). Authors (Alam, 2006; Johnson et al., 2000; Menor et al., 2002) have differentiated the NSD processes from NPD processes by highlighting that the development of services is not a straightforward linear process in which one phase needs to be finalised before entering the next; the NSD process is hence seen to be an iterative process that includes inter-functional co-operation and overlapping phases. The NSD differs also from the NPD based on the outcome of the process: in NPD, the output is a new product but in NSD a service delivery process (Tatikonda and Zeithaml, 2002). In service development, customer involvement also has a central role as the customer is involved with the service during the whole service process (Alam and Perry, 2002; Ennew and Binks, 1996).

Many NSD models are originally developed and applied in the business-to-business context and/or have focused, for example, on financial and technological services (Alam, 2002; Alam and Perry, 2002; Alam, 2006). These models have also been applied in other service sectors. However, some authors have also developed NSD frameworks for some specific service industry sectors. For instance, Konu, Tuohino and Komppula (2010) introduced an NSD model that is designed for NSD in tourism. The authors have utilised concepts introduced by Edvardsson and Olsson (1996) and adapted by Komppula (2006), consisting of five stages adapted from earlier NSD and NPD models, and
applied them to a tourist product context. The five stages of the framework are service concept development, service process development, market testing, commercialisation and post-introduction evaluation. The development starts from service concept development and it consists of idea generation, core product screening, concept testing and concept development. In the stage of service process development, service modules are created and developed. This phase also includes service blueprinting, (internal) prototype testing, business analysis and formal product blueprinting. Market testing consists of external testing and financial evaluation, and is followed by the last two phases, namely commercialisation and post-introduction evaluation. This framework is also applied in this study, as it has been developed and tested in NSD in the tourism context.

Most of the models of NSD built based on NPD processes do not discuss what the role of customers in the process is or they do not consider the diversified scale or qualities of different types of services. However, the role of the customers is acknowledged in some of the key principles of SDL, including the focus on the needs, wants and expectations of the customer, and these similar issues are recognised in the discussions of service design (SD) (Moritz, 2005; Wetter Edman, 2009). Service design is regarded as an interdisciplinary, holistic, and human-centred approach aiming to involve and integrate customers into the exploration and development processes with the service providers (Mager, 2009). In this study, SD is seen to include similar approaches and issues to customer involvement in NSD.

The type of service needs to be considered when new services are developed as the service type has an influence on the methods and processes for developing the service. For instance, the services that have low contact intensity and low variety can utilise approaches that are used in physical product development processes because the role of the customer is not necessarily regarded as very important in the development phase (Bullinger et al., 2001; Rust and Oliver, 1994). On the other hand, when services of high contact intensity and high variety are developed, more complex methods and processes are required because the role of the customer is much more interactive (Bullinger et al., 2001; Rust and Oliver, 1994). Hence, it can be argued that the development of a service product including several components and/or service providers (such as tourism product) is much more challenging than development of a low contact intensity and low variety service. It is also highlighted that NSD differs based on the type of innovation (i.e. the NSD is different for radical innovations compared to NSD for incremental innovations) (Johnson et al., 2000). Regarding experiential services, Zomerdijk and Voss (2011) have listed propositions concerning experiential service development. They bring forth that the experiential service NSD process should be systematic and flexible, the development process requires cross-functional teams and involvement of front-line employees, and it requires a broad base for creativity.
Prahalad and Santos (2009) state that customers and users can be involved in early stages of the NSD processes by tapping tacit knowledge from them, and businesses can also get inspiration from customers’ new solutions to problems (Alam, 2006). Until recently, the pre-innovation phase (Prahalad and Santos, 2009) or fuzzy front-end of an innovation process, including the idea generation, idea screening and concept development stages of NSD (Alam, 2006), has been rather limited and less systematic in most businesses and have seldom included users. Customers have mainly been involved in the later stages of innovation processes, e.g. in testing prototypes, when a product is almost ready for sale and marketing (Alam, 2006; Prahalad and Santos, 2009). It is argued that businesses and developers should involve customers already in earlier phases of NSD processes when new opportunities and ideas are identified (e.g. idea generation, idea screening and concept development) (Alam, 2006; Prahalad and Santos, 2009).

Many of the recent customer involvement studies tend to focus on one phase of the NSD process even though the importance of involving customers throughout the NSD process has been emphasised (Alam and Perry, 2002; Edvardsson et al., 2012; Kristensson, Gustafsson and Archer, 2004; Kujala, 2003; Melton and Hartline, 2010; Sigala, 2012b). This may be due to the fact that businesses do not necessarily have the knowhow to involve customers into diverse phases of NSD. During the NSD process, businesses face challenges such as what methods should be used, how customers should be selected and motivated (e.g. do the customers have enough knowledge about the topic), and how the uncertainty of the project is managed (Lengnick-Hall, 1996; Nambisan, 2002). The willingness of a business has a central role if the customers are involved in NSD processes or not. For instance, customer involvement may require that the company has a flexible organisational structure, an open, innovation and information sharing culture, and supports the collaboration with the customers e.g. by providing time and other resources for NSD purposes (Sigala, 2012a).

2.3.3 Benefits and challenges of customer involvement in NSD
Several studies (e.g. Alam, 2006; Lagrosen, 2001; Matthing et al., 2004; Kristensson et al., 2008; Sjödin and Kristensson, 2012) have acknowledged the needs and experiences of customers, and customer involvement as major determinants of success in NSD. Different benefits for businesses have been discussed widely in previous studies (Alam and Perry, 2002; Enkel, Kausch and Gassmann, 2005; Griffin and Page, 1996; Gruner and Homburg, 2000; Matthing et al., 2004; Olson, Walker and Ruekert, 1995; Sandberg, 2007; von Hippel, 2001). For instance, by involving customers in diverse phases or all stages of NSD, businesses can achieve customer attachment and acceptance of new services (e.g. von Hippel, 2001; Magnusson et al., 2003; Alam, 2006) hence improving the success of new services (Sjödin and Kristensson, 2012).
Previous studies have stated that failures in the development of new services are usually caused by a lack of market orientation and understanding (Drew, 1995; Martin and Horne, 1995) and the fact that businesses have been unable to identify and utilise new market knowledge and customer insight (Cooper and Kleinschmidt, 1994; Menor, Tatikonda and Sampson, 2002). Having customer insight by involving customers is seen to bring competitive advantage as services developed in collaboration with customers better match customers’ needs (Alam and Perry, 2002; Magnusson et al., 2003). Other recognised benefits gained from customer involvement are positive development of customer relationships, faster NSD processes and launch of new services to market, speeded diffusion of innovations, and lower number of market failures (Alam and Perry, 2002; Enkel et al., 2005; Griffin and Page, 1996; Gruner and Homburg, 2000; Lagrosen, 2005; Matthing et al., 2004; Olson et al., 1995; Sandberg, 2007; von Hippel, 2001). However, there have been challenges to prove the benefits of the customer involvement in different NSD processes as many of the studies have concentrated on short term and financial benefits (Sigala, 2012a). According to Sigala (2012a), the benefits of customer involvement are usually long term benefits and thus rather difficult to measure and identify.

The studies of customer involvement usually concentrate on bringing forth how involvement benefits firms and companies, and hence the customer perspective in service development, e.g. how a customer benefits from participation or involvement, has received less attention (Sjödin and Kristensson, 2012). For example, studies on consumer motivations to participate in NSD activities have been rather rare. Some studies discuss customer motivations in new product development (Nambisan, 2002) and some of these motivations are seen to be applicable also in NSD. Many of the studies of customer motivation to participate in NSD are made in the online context (Antikainen, 2011; Bronner and de Hoog, 2011; Nambisan, 2002). According to the study of Nambisan (2002), customer motivations can be categorised to illustrate three types of benefits, namely product or service-related benefits, community related benefits and medium-related benefits. Other recognised motivations and benefits are ability to influence the development process and help to make better products and services, being part of a community, efficacy and fun, helping other customers and the business, and receiving a reward (Antikainen, 2011; Bronner and de Hoog, 2011; Lusch et al., 2007).

In NSD, the benefits and motivations are not necessarily connected to any physical product, but to the service process. This applies especially to services that aim to offer benefits that are connected to emotional and physical comfort of customers (Berry et al., 2006; Cheng et al., 2012). Hence, it may be argued that customers’ emotions have also a central role in the NSD processes and emotions that arise during the process have an influence on the outcome of the development process. It can be argued that based on the study of Sjödin and Kristensson (2012), customers’ willingness to participate to NSD process is
higher if it is seen to provide positive experiences. Their study showed that negative experiences arose when the recruitment process, used methods, given instructions or the task itself were not liked or the customers felt that the requested task was too difficult or they were not capable to carry out the task from some other reasons (Sjödin and Kristensson, 2012).

2.4 METHODS OF CUSTOMER INVOLVEMENT IN NEW SERVICE DEVELOPMENT

Different methods can be used to involve customers in NSD processes. The characteristics of services, such as intangibility, bring their own challenges not only to the development process, but also to the applicable methods during the process. Services are usually tailored to individual buyers or customers at the point of purchase (Thomke, 2003) and hence it is not easy to test services in laboratories and they cannot be tested through large samples (Meiren and Burger, 2009; Thomke 2003). This brings additional challenges to service developers when they are planning NSD processes and selecting methods how customers are involved in the process. One problem may also be that managers are not necessarily aware of the methods of involving customers in NSD or know how to interpret the customer voice (Alam, 2006; Sigala, 2012a).

According to Wetter Edman (2009), the similarities between SDL and SD has given a fruitful ground for businesses and developers in adapting service design methods and tools in development processes. It is noted that traditional methods (e.g. questionnaires and interviews) still serve their purpose supporting design processes (Miettinen, 2009). Nevertheless, it has been claimed (Cayla and Arnould, 2013; Hoyer, Chandy, Dorotic, Krafft, and Singh, 2010; Matthing et al., 2004; Sigala, 2012a) that traditional customer research methods that are used to collect customer information and involve customers are not efficient enough to reveal the latent needs of customers. Using these classical methods usually lead to incremental innovations instead of radical innovations (Matthing et al., 2004). For example, it is recognised that in the tourism sector new services are in many cases improved versions of existing services or new combinations of services (Brooker and Joppe, 2014; Camisón and Monfort-Mir, 2012) or that innovation activities lead only to small changes of services (Pikkemaat and Peters, 2006). Naturally selecting diverse methods needs to be made based on the goal of the development process and the nature of the service that is aimed to be developed. For example, it is argued that when experiential services are developed diverse phenomenological methods, and emphatic and ethnographic approaches should be used (Helkkula et al., 2012; Zomerdijk and Voss, 2011). The innovative ways and tools used by service designers such as visual diaries, storyboarding, design workshops, collage, and mind-mapping, may also contribute the development processes (Miettinen, 2009).
Several approaches have been used to study customer involvement in NSD and to gain customer insight. These approaches include both qualitative and quantitative methods. Surprisingly, there are only a limited number of studies that have tried to categorise, map and evaluate the diverse customer involvement methods applied in NSD, although a few exceptions exist.

Studies of Alam (2002), Edvardsson et al. (2012) and Komppula and Lassila (2014) have evaluated usefulness and usability of different customer involvement methods by using different criteria for the evaluation: mode of customer information (Edvardsson et al., 2012), managerial criteria, such as strengths and challenges of data collection and costs (Komppula and Lassila, 2014), and purpose, stage, intensity, and mode of involvement (Alam, 2002). In addition to these, it is important to examine what kind of information (e.g. related to service concept, service process and service system) is gained through the process and to which phases of NSD the information is contributing. In this thesis, the applied customer involvement methods are discussed by utilising criteria adapted from previous studies of Alam (2002), Edvardsson et al. (2012) and Komppula and Lassila (2014) and by considering nature of information gained especially from the point of view of experiential service development.

Even though several authors (Alam and Perry, 2002; Kristensson et al., 2004; Kujala, 2003; Melton and Hartline, 2010; Sigala, 2012b) have highlighted customer involvement throughout the NSD process, Edvardsson et al. (2012) found out in their study that most NSD studies used simplex methods, meaning that the data were mostly collected just in one of the NSD phases. This means that the information is collected one time only and the customers do not get feedback or information how the information was utilised. Hence Edvardsson et al. (2012, p. 427) recommend that businesses should use “duplex methods” that would facilitate dialogue between customers and developers. They also conclude that using just one same method in every stage of the whole NSD process does not necessarily provide the most useful information. It is argued that using a dialogue approach where collected information is fed back to the customers gives more comprehensive information from the customers and helps businesses to develop the services in the direction preferred by the customers (e.g. Edvardsson et al., 2012).

This study recognises the different propositions related to experiential services and their development as characterised by Zomerdijk and Voss (2011). In addition to the provider’s perspective of development presented by Zomerdijk and Voss (2011), in this study the customer approach is acknowledged and customer involvement is seen to have a central role in the development of experiential services including both the customer’s and service provider’s actions and resources allocated to co-create service offerings.

It is important to note that the service experience can refer to the experiences of different actors (e.g. consumer, service provider, and other customers) involved with the service. In this study, the focus is on the consumer service
experience and how it is co-created within the experiential service development framework.

Given that tourism product development starts with the development of a service concept (Komppula and Boxberg, 2002; Komppula, 2006), it is important to try to ascertain exactly what issues and components offer value to whom. According to Komppula (2006), differing value expectations create differing demands – also for the service process and service system of a tourism product. Thus, the service process (including the services and interaction) and the service system (including e.g. external resources such as destination resources) affect the consumer service experience (e.g. Komppula and Boxberg, 2002; Tuohino, Konu, Hjalager and Huijbens, 2013).

The NSD process includes different phases. Even though this study utilises the NSD stages presented by Konu, Tuohino and Komppula (2010), it is acknowledged that the development of experiential services is not a linear process, but more iterative in nature. The customer involvement methods and approaches used influence the information gained, the processes and the experiences gained from the process. Hence, it is important to discuss and examine the methods used during the development processes. Figure 3 summarises the central issues and themes discussed in this theory section and presents the framework for the empirical study.

<table>
<thead>
<tr>
<th>Customer involvement: actions and resources of customers and service providers</th>
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<tr>
<td><strong>Experiential service development:</strong></td>
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<tr>
<td>- Characteristics of experiential tourism service</td>
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<tr>
<td>- Co-creating consumer service experience</td>
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<td><strong>Service concept, service process, service system</strong></td>
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<td><strong>Customer involvement methods:</strong></td>
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<tr>
<td>- Contribution of methods</td>
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<td>- Information gained</td>
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<td><strong>Phases of NSD process</strong></td>
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*Figure 3: Developing experiential tourism services – framework for the empirical study*
3 Research strategy

3.1 SCIENTIFIC APPROACH AND THE RESEARCH STRATEGY

To be able to study experiential services, it is important to recognise the subjective nature of experiences. In order to gain more profound information about the phenomenon under investigation, studies in the fields of service marketing and management and tourism have called for the use of interpretative and interactive qualitative methods and approaches (Edvardsson et al., 2012; Helkkula et al., 2012; Ryan, 2010; Zomerdijk and Voss, 2011). For instance, Ryan (2010) highlights that because a tourist experience is subjective and people experience the same situations in different ways, it is essential to study these experiences from the perspectives of the individuals involved. It is also argued by Palmer (2010) that quantitative research techniques may be incapable of eliciting a response from a potential customer when a new customer experience is developed, because it is difficult to recognise the emotional and situational context of the experience by using these kinds of methods.

This study adopts a constructivist world view and it is recognised that multiple realities exist and the reality is about individual and group interpretations as well as an output of cognitive and social processes (Blaikie, 1993; Eriksson and Kovalainen, 2008; Lincoln, Lynham and Guba, 2011). Qualitative research includes a set of interpretive practices that make the world visible and therefore has an interpretive and naturalistic approach to the world (Denzin and Lincoln, 2011). Qualitative research is used to increase understanding, explore and describe a certain phenomenon and qualitative data can be acquired by using different research designs (e.g. narrative research, phenomenology, grounded theory, ethnographies, case study) leading to a variety of empirical materials (e.g. interviews, observations, stories, personal experience and case study) (Creswell, 2014; Denzin and Lincoln, 2011).

This thesis takes a case study approach to gain a better understanding of a phenomenon (e.g. Eriksson and Kovalainen, 2008). In a case study examination, it is permissible to focus on the case and retain a real-world, holistic perspective (Yin, 2014). Eriksson and Kovalainen (2008) argue that as both qualitative and quantitative data can be used to construct a case, the case study research should be understood as a research approach rather than a method (see also Yin, 2014). Yin (2014) has a twofold definition of case studies. The first part of the definition focuses on the scope of a case study and the second on the features of a case.
study. He states that ‘[a] case study is an empirical inquiry that investigates a contemporary phenomenon (the “case”) in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident’ (Yin, 2014, p. 16).

There are three types of case study: intrinsic, instrumental and multiple. An intrinsic case study is conducted in order to better understand one particular case and the case itself is of interest. In an instrumental case, the aim is to gain an insight into an issue or to redraw a generalisation. Hence, the actual case supports and facilitates understanding of something else. In other words, the case helps to achieve an external interest (Stake, 2005). In a multiple case study (collective case study), a number of cases can be studied jointly to investigate a phenomenon, population or general condition (Stake, 2005).

This thesis constitutes from three individual case studies that are intrinsic and intensive in nature. All of the individual case studies aimed to get better understanding of the particular case and they give their contribution for the tourism NSD processes examined. However, as a part of this thesis these individual cases contribute to the main purpose of the thesis instrumentally by increasing understanding about customer involvement and diverse customer involvement methods in experiential tourism service development, making the whole thesis as an instrumental case study (Figure 4). In case 3, it is also recognised that in addition to the focus of the case itself, the case also contributes instrumentally by examining issues related to the NSD process.

![Diagram](image_url)

*Figure 4: The case study approach in this thesis*

The data for all the cases were collected in different tourism research and development projects. Hence, the funding partly guided the selection of these
particular cases. However, all the cases are tightly connected to the phenomenon under examination.

3.2 DATA COLLECTION AND METHODS OF ANALYSIS

Each of the articles presents a case study that has different sets of empirical data. Different data collection and analysis methods are also used. In this study, both qualitative and quantitative methods are used, as it is stated that it is recommended to use diverse sources of data and methods in case study research (e.g. Eriksson and Kovalainen, 2008). Two of the articles have strong methodological focus and hence the research methodologies and approaches have been discussed in the articles in detail. Next, an overview of the data collection approaches, methods and analyses is introduced in this section and more detailed explanation is presented in each article.

3.2.1 Ethnographic approach

In the first article, the data about the product testing phase of the NSD were collected using an ethnographic approach in order to obtain versatile information about on-site product testing. The data were collected during a tourism product test on-site in north Karelia, Finland, 25-30 August 2013. In order to get feedback from different perspectives, the test group was formed from eight Japanese customers and two representatives of a tour operator that offers trips to Finland for Japanese tourists.

The data were collected by means of participant observation, group interviews and customer feedback surveys by the author of this paper. During the participant observation, the focus of observation was on the service environments, the customers and the interaction between service providers, customers and the environment. In addition, the researcher reported also her own experiences of diverse situations. The data from participant observation comprise field notes (including both emic and etic perspectives) and a number of pictures taken from different situations and activities.

Test customers were also asked to fill feedback surveys on a daily basis. The questionnaire included the questions: what activities and/or things were the best during the day, what could be improved, and what is the overall assessment of the day? In addition, they were asked to evaluate each service module of the day by using a star rating. By the end of the trip, there was also an additional questionnaire that was used to get an overall assessment of the whole trip. The Japanese test customers filled out the questionnaire in Japanese and the representatives of the tour operator in English.

The third data set was collected by conducting two group interviews to supplement the information gained from participant observation and customer feedback forms. In one interview, two Japanese women and in the other two
representatives of the tour operators were interviewed. The interviews dealt with the experiences of the test customers, e.g. what was the most memorable experience, what was the best part of the trip, and what they would improve. The interviews lasted 18 and 24 minutes respectively.

The raw data were prepared for by typing field notes and transcribing interviews. In addition, the interpreter that took part in the test trip translated the written Japanese feedback responses into Finnish. The overall data consisted of the field notes (26 pages), written responses of the test customers (53 pages) and the two interviews.

The data were read through by the researcher several times and it was organised first in the order the material was gathered each day. This helped to make a description of the whole trip from beginning to end. The trip description included a depiction of all activities day by day and activity by activity, telling the story of the whole week. In the description, additional material related to the overall product and individual service modules was used. The interpretation of the data was discussed with the interpreter and the tour guide that had gained experiences from the whole trip.

For the purpose of the article, where the focus was not the ethnographic description of the trip as such but the usability of the ethnographic approach in NSD, the collected data were analysed by using the same perspectives that Edvardsson et al. (2012) employed when they studied customer integration within service development. The data were analysed using a qualitative content analysis that interprets meanings, themes and patterns that are visible or latent in the data examined (Çakmak and Isaac, 2012). The four perspectives by Edvardsson et al. (2012), namely the form of the information generated, innovation knowledge, degree of interactivity, and reporting and need identification, were used as an analysis framework and as the main themes in the analysis. To obtain more detailed and profound information, an inductive perspective was also adapted to ground the examination of themes that came up under each main category. In examining the information generated and the innovation knowledge, a differentiation was also made between the kinds of information obtained using the different data gathering methods in the ethnographic approach.

3.2.2 Delphi method
In the second paper, the Delphi method was used to collect data for developing new nature tourism services. The focus was on the idea generation and testing phases in particular. At the beginning of the process, the design choices were made by following seven criteria (Day and Bobeva, 2005). The choices were made based on the goals of the study, in which the aim was to gather new ideas for NSD and test the collected ideas. The two Delphi rounds were built to support this goal: the first round was conducted to collect the ideas and the
second round to test and evaluate the ideas. The other choices made are discussed in more detail below.

In this case study, the panel of experts were potential customers as the customers are seen as being the experts required for saying which kinds of products and services they are interested in. In this study, the informants taking part in the development process were potential tourists to the area, as they are expected to have experience of nature-based tourism or activities and/or the area to be developed.

The Delphi panellists were recruited by organising an open call for product developers. The call opened at the beginning of May 2013. In the call no detailed criteria for participating were set, but the respondents were supposed to be interested in developing nature tourism in the area. The call was launched by using a variety of electronic channels that were thought to be used by tourists interested in nature-based tourism (Facebook sites, national outdoor recreation websites, Twitter, mailing lists, as well as on websites belonging to a variety of organisations, DMOs and businesses) and by utilising a diverse range of stakeholders (the organisation responsible for the hiking area, a research institute, the regional destination marketing organisation and the business network involved in the process). The form used for signing up included questions about previous visits to Ruunaa, possible hobbies that are connected to nature and also other activities related to nature, the outdoors and tourism. Also, basic information as well as contact information was collected. Altogether 105 people signed in as product developers. Two of the responses were missing contact information so they were excluded from the study.

The Delphi study was implemented by organising two Delphi rounds using the eDelphi tool (eDelfoi.fi). The tool makes it possible to manage a panel by sending e-mails to panellists, using the platform as a survey tool (several different rounds and queries can be added), drawing summary reports, sharing material etc. All the panel participants remain anonymous and even the researcher cannot connect the responses to individual panellists. However, the researcher sees the list of panellists who answered the questions. This kind of procedure guarantees the anonymity of the panellists.

The objective of round one was to get new ideas for nature and outdoor tourism products for the Ruunaa Hiking Area. The questions for the first round were tested beforehand and, based on the comments of the testers, the questions were slightly modified. The questions of the first round questionnaire were open-ended questions: What would your dream wellbeing, nature and outdoor related holiday in Ruunaa be like? What would your dream adventure holiday in Ruunaa be like? Both of the questions were followed by more detailed guidelines and sub-questions, e.g. about the preferred experiences and services, and travel company.

The invitation for the Delphi panel was sent via the eDelphi tool. The 103 potential panellists received an invitation to sign into the system and answer the
questions, and altogether 60 panellists answered the questions (the response rate being 57.3%). The responses had different forms as some of them were written in story form and some of them just giving listings of services or things that they wanted the holiday to contain.

A narrative analysis was used to draw different kinds of product descriptions. In a narrative analysis, a researcher interprets and organises the empirical data in such a way that the results construct one or more narratives, which are then discussed and interpreted (Eriksson and Kovalainen, 2008). In this study, as the aim was to form different product theme narratives based on the responses, the responses were analysed by focusing on the meaning, which means that the analysis focuses on the content of the narrative, namely on issues, themes and patterns (Eriksson and Kovalainen, 2008). The empirical data were organised using thematic analysis in which different themes of the responses from the first Delphi round were examined and, based on the themes, storylines were developed. Thus, the narratives developed are constructed by the researcher and the construction of the narratives formed a central part of the analysis (see e.g. Eriksson and Kovalainen, 2008). As a result, nine thematic tourism products were formed based on the analysis.

In addition to the narrative analysis, a thematic analysis was carried out to collect comments and suggestions related to services and activities. These comments and suggestions were categorised into six themes, namely accommodation, activities, services, relaxation and pampering, food, and service environment. The summary report for Round 1 included the narrative stories (thematic product descriptions) and results from the thematic analysis.

The aim of the second round was to evaluate the appeal and interest, and also gain possible critical opinions regarding the thematic products (narratives). The second round aimed to obtain concrete and detailed information about how interesting the developed service (theme) products are to the respondents, what kinds of feelings they invoke, what kinds of improvements are required and for whom the panel see the products and service modules being suitable for. The panellists were asked to choose four thematic products they were most interested in and describe: What kinds of feelings they get from the product? What is good? What is bad or what would they improve? Would they take part in this kind of trip? Who is the product suitable for? If the respondents wished they could evaluate more than just four products. The invitation for the second round was sent to the panellists via the eDelphi tool. Altogether 37 panellists answered the questions, which made the response rate 61.7%.

Based on the responses, the appeal and content of the products and product themes were evaluated by analysing the data product by product by using thematic analysis (positive and critical comments e.g. related to the content of the thematic product, service components of the product and price). The appeal was also measured by calculating the number of comments related to each product, and the products were ranked based on the number of the comments.
The summary report was made based on the evaluations of individual products and an evaluation of the appeal of the products partly based on the number of comments.

As the goal of this paper was not to report the results and the content of the collected data as such, but examine the suitability of the Delphi method in new service development, the method was evaluated using selected criteria adapted from Alam (2002), Edvardsson et al. (2012) and Komppula and Lassila (2014) and by considering the critical aspects of the Delphi technique identified by Donohoe and Needham (2009), Hsu and Sandford (2007) and Keeney, Hasson and McKenna (2011). In addition, emphasis is placed on evaluating what kind of information is gained through the process.

3.2.3 Longitudinal action research
The third paper presents a case study of a real-life NSD project as an instrumental case study that aims to offer an insight into customer involvement throughout the development process of a new service, and to support and facilitate our understanding of the possible opportunities and challenges of involving customers in a new tourist service development project. The results of the process, namely the findings and implications of the actual data acquired from the customer involvement, have a secondary role in this paper.

The researchers drew on longitudinal action research that they undertook during their involvement in the development process. Action research is seen to be suitable when the research question aims to describe series of actions that take place over time (e.g. in an organisation) and aims to understand development or find a solution to some actual problem in order to learn from it (Eriksson and Kovalainen, 2008). The focus of research is chosen together with the researchers and the stakeholders involved (Greenwood and Levin, 2007 cited in Levin and Greenwood, 2011, p. 29) and hence action research should be seen as an approach that requires involvement, participation and close relationship to the research object (Eriksson and Kovalainen, 2008). In this case study, several data collection methods were used during the NSD process. The customers were involved in two distinct phases of NSD by utilising two different customer involvement methods, namely narrative approach and virtual product testing surveys. The narrative approach was applied to collect stories for the idea generation phase of the service concept, and virtual product testing surveys were used for the external market testing of two tourist products developed based on the stories gained from the narrative analysis. The customers involved in the NSD process were already customers of the company and hence had experience of the company’s services.

This NSD process involved the personnel of the case company as well as external researchers, who gathered and analysed the data acquired from the customers, discussed the issues with the hotel managers and sales personnel, and were in close contact with the person responsible for product development.
At the end of the project, the product development person was interviewed about the outcomes of the project. The second author also participated in operational meetings of the board of the company during the process.

In the first phase of the project, a narrative approach was chosen as the main focus of interest was to get customers’ own interpretations of a “dream Feelgood wellbeing holiday in Lapland”. In this case, a short topical story about a particular issue (Chase, 2005) was chosen to represent the narrative approach. Data were gathered by sending e-mails to the company’s Finnish customers (22,941 registered customers) asking them to send their stories of the Lapland Feelgood holiday of their dreams to the email address set up for the study. A few elaborate questions and some background information of the respondents were asked. A total of 362 responses was received, of which 268 (74%) were from women and 94 (26%) were from men. The responses varied in length (a few words to more than a page) and form (listing of things to stories written in epic poems). The end result of 362 narratives comprised 131 pages written by 268 females, and 31 pages of text written by 94 males, and it was regarded that the amount and quality of the data were sufficient for the purposes of the NSD process.

The narratives stories were interpreted by repeatedly reading through the data. Special attention was paid to the differences emerging between target groups and to what was common within them. In the formation of groups, the focus was on the interpretations of the Feelgood service concept, parts of the service process and service system that were important for each group. The analysis resulted in nine new dream holiday stories for different target groups based on their differing expectations of experiences and the ensuing wishes and needs.

After a resource and rough business analysis, the company chose two stories which were developed into concrete product proposals. An electronic survey was used to implement the external testing in the form of a virtual product test. The virtual product testing was intended to reach a large number of potential but targeted customers within the company’s customer base as well as to test the attractiveness, saleability and price of the offering. The survey included structured and open-ended questions. The responses related to both of the studied tourism products were analysed separately. The responses to structured questions were analysed by using basic statistical methods such as frequencies and cross-tabulation. The data from the open ended questions were analysed by thematic analysis utilising the ATLAS.ti programme.

The paper focuses on describing and evaluating the NSD process and the emphasis on the actual content for the products is described in the paper only on that level that the reader can follow the process. However, the process produced very detailed reports about the customer preferences and opinions of the products.
4 Research findings reviewed and supplemented

This chapter summarises the main findings from the research articles and supplements them by reflecting the results on the theoretical discussions of this thesis.

4.1 ARTICLE 1: DEVELOPING A FOREST-BASED WELLBEING TOURISM PRODUCT WITH CUSTOMERS – AN ETHNOGRAPHIC APPROACH

This paper aims to respond to the call for more qualitative and phenomenological methods to study service experiences and experiential services (Helkkula et al., 2012; Zomerdijk and Voss, 2011), and use the ethnographic approach in a novel way in tourism studies by applying it in new service development (NSD) context. The main aim of the paper is to examine the usability and usefulness of ethnographic approaches in regard to NSD in tourism, especially in the external product testing phase. In addition to the evaluation of the suitability of the ethnographic approach, the study examines how customer involvement contributes to diverse components of an experiential tourism service.

The data were collected during an on-site product testing trip. The test customers represented the potential target group of the tourism product under development. The data were collected using the ethnographic approach during the trip.

The findings show that an ethnographic approach can be applied and is useful in the product testing phase of NSD. The combination of three data sets, participant observation, feedback surveys and group interviews, provided rich and versatile data sets that complemented each other well. Applying this kind of approach enables quite intensive customer involvement in the development process. In particular, the observations revealed how the test customers interacted with each other, with the service providers and in different service environments, showing that the consumer service experience indeed involves several actors and does not focus solely on the dyadic interaction between the customer and the service provider.
The customers had active roles and they were very much involved in the development process, as they invested their own resources in order to participate in the testing (they paid for their own trip to the destination). They also actively took part in the activities and evaluated the services on a daily basis.

The information obtained from the three data sets were not just connected to the particular service modules and the overall tourism product tested. In addition, information and suggestions were related to development of the service concept, service process and service system, as well as its commercialisation.

One of the most important benefits of an ethnographic approach, especially participant observation, is that it enables service providers to get deep customer insight related to the emotions of customers in particular. The emotional aspect has been highlighted in experiential services and hence when experiential tourism services are developed it is important to know what kind of emotions the service arouses in consumers. This supports the development of a service concept of the service developed.

Usually, service development focuses just on the usability or functionality of the services and to service encounters, with the studied and developed service encounters being rather brief in many service sectors (Bitner, 1990). As a service, a tourism product differs from many other services because the duration of the service experience is longer, as the experience of the overall tourism product composes from several encounters and a set of service modules. Valuable information gained by using participant observation, such as information about emotions in diverse situations and contexts, and service modules that raise these emotions, would be missed if the data in this case were collected just by using feedback questionnaires and interviews. In this case the strong emotional experiences were gained mostly during service modules that were realised in natural environments and were guided in some way. These emotional consumer service experiences that bring value to a customer are the core (service concept) of the tourism product. However, it needs to be noted that in a tourism product all service modules produce a consumer service experience for the consumer. Nevertheless, all service modules themselves may include the core and supporting experiences for a consumer, which in the end leads to the overall experience of the tourism product supporting the notion by Quan and Wang (2004).

In addition to benefits of the ethnographic approach, some challenges were also identified, e.g. the approach is very time consuming and thus expensive. The study also brings forth issues related to using the ethnographic approach in product testing on-site. Based on these issues, some lessons learned and suggestions are listed as they may help if a similar approach is used in the product testing phase for other NSD cases.

The study also revealed several managerial implications, for instance, related to what kind of information the service providers gained from the process to
develop their services targeted especially for the potential target group. The study also showed that guided activities in a natural environment were the ones that brought the most positive emotional experiences. Hence, attention should be paid to the knowhow of the guides as being facilitators of the emotional experiences concerned.

4.2 ARTICLE 2: DEVELOPING NATURE-BASED TOURISM PRODUCTS WITH CUSTOMERS BY UTILIZING THE DELPHI METHOD

This paper aims to examine a method that is not usually used in consumer involvement in general or for NSD purposes in the experiential tourism service development context. Hence, the paper focuses on assessing the suitability and opportunities for utilising the Delphi method in the tourism sector by examining the applicability of the method in data collection and customer involvement for different purposes in new service development (NSD). This is done by introducing an NSD case aiming to find and evaluate ideas for nature tourism products.

Data were collected by using two Delphi rounds and the suitability of the method was evaluated for selected criteria and describing the type of information that was gained during the process. The collected data were analysed so as to be able to describe and evaluate the method based on the set criteria (adapted from Alam, 2002; Edvardsson et al., 2012; Komppula and Lassila, 2014) and by considering the critical aspects of the Delphi technique. The results discuss the purpose, stage, intensity and mode of involvement, strengths and weaknesses of data collection and analysis, implementation in practice, and type of customer information – context and situation.

The results show that the Delphi method is well suited to customer involvement in the front-end stages of NSD of a tourism service because the data collected provide a wealth of information, especially for service concept and service system development during the idea generation and evaluation phases.

Some studies have noted that utilising customer ideas and opinions in NSD may be challenging because customers may not be able to tell, or they do not necessarily know what they want. It is also noted that customers may have very different levels of experience of the issues that are being developed and customers have been categorised customers into three different groups based on their experience, namely very experienced, ordinary and greenhorns (Edvardsson et al., 2012).

The nature and the characteristics of the service need to be taken into account when services are developed. The study by Edvardsson et al. (2012) that introduced the categorisations of customers based on their experience was
carried out in a technological services context, in which it can be assumed that technical experience and know-how plays a central role. When experiential services such as tourism are developed, the functional aspects of the service are naturally important, but not necessarily as important as experiential aspects of the service. Thus, it can be argued customers who have experience and knowledge of the theme or topic, or have had experiences in the area in which the services are developed, can be regarded as experts in that field because they know well what kinds of experiences they are looking for when they are travelling to a particular destination or taking a part in a certain kind of trip. This supports the argument of Donohoe and Needham (2009) who state that the Delphi particularly suits tourism research where participants (different actors in tourism) are increasingly key contributors to the research process and outcomes.

Several customer involvement methods can be categorised as simplex methods, meaning that they are used to collect data from customers but they provide only a little or no feedback to the customers involved (Edvardsson et al., 2012). It is recommended that dialogue based methods, which also give information to the respondents and not just the service provider, should be used (Edvardsson et al., 2012). As the study shows, the Delphi technique’s iterative nature makes it possible for customers to contribute to the process in several phases of NSD and also change and evolve their opinions and suggestions.

The study also shows several managerial implications. First of all, it may help the service provider in prioritising and taking actions (Edvardsson et al., 2012) when customers are involved in the interpretation of the information during the Delphi process. In this case, several actors benefitted from using the Delphi: businesses and the organisation responsible for the management of the area gained comments and suggestions on how to develop and improve the facilities and other services in the area, they got new ideas for their tourism services and the information gained also helped them to make decisions on what kinds of product themes customers seemed to find more interesting and are therefore worth developing.

The customers also expressed their needs and motivations in their contributions. This information could also be used in the service concept development to represent the desired experiential value and consumer service experience. The customers also suggested potential target groups for diverse service ideas.

The study showed that all the suggestions and ideas customers gave were not realisable. Hence, the businesses and developers need to have knowhow to evaluate the ideas and their profitability. For example, in this study, some of the customer ideas were very innovative and new but their actual application in practice would be difficult or may not be possible without major investments.

This study contributes also to the methodological discussion of NSD by introducing Delphi method as a customer involvement method. The study shows that customers can be regarded as experts when experiential services are
developed, as they know best which kind of experiences they wish to have when consuming a tourism service. The iterative nature of Delphi method also helps to gain more comprehensive information from customers and helps companies to develop the services in the direction preferred by their customers.

4.3 ARTICLE 3: CUSTOMER INVOLVEMENT IN A NEW SERVICE DEVELOPMENT PROCESS: DEVELOPING THE “FEELGOOD IN LAPLAND” TOURISM OFFERING

This paper takes a business perspective when the ability of a company to utilise customer involvement, benefits derived from it, and the challenges faced in the process of customer involvement in new service development (NSD) in different stages of the NSD process are examined. However, the customer motivations and willingness to participate are also discussed briefly.

The researchers drew on longitudinal action research that they undertook during their involvement in the development process between two NSD phases in which customer involvement methods were used. Hence, this case also brings forth the fact that there are multiple actors involved in the formation and development of experiential tourism services. Regarding the customer involvement methods, a narrative approach was used to collect stories for the idea generation phase of the service concept and virtual product testing surveys were utilised for the external market testing of two tourist products that were developed based on the stories gained from the narrative analysis.

The findings of this study support findings of previous studies (Chan et al., 2010; Melton and Hartline, 2010; Sigala, 2012a) by showing that successful utilisation of customer participation in NSD requires willingness, ability and commitment to this approach at all levels of the organisation, and the attitude of a company’s leaders influences the ability and interest of a company to act in a customer-oriented way. Involving the personnel of the company in the process may also reduce previously identified challenges, such as over-customisation (Alam, 2006; Sigala, 2012a).

The study shows several practical implications that are related to customer involvement in diverse phases of NSD bringing concrete benefits for a company, such as ideas of the service concept, which are also evaluated by the customers, and detailed suggestions related to the development of the service process and service system. Thus, involving customers in the whole process provided valuable information for all components of the service. Eventually, the process led to the launch of two new tourism service products. In addition, the data collection process itself was seen as cost-effective from the business point of view when the company’s own customer base and Interned was utilised.

The case shows that the company had the willingness to involve customers in NSD but there were some challenges and other operational development
projects that influenced the realisation. These included, for instance, low commitment and motivation of personnel, which was partly due to limited resources, as the development activities were carried out alongside other tasks. Technical challenges also influenced the implementation of customer involvement activities, as the planned online customer panel could not be realised on time. The findings indicate that the leadership of the NSD process should be entrusted to a person who has the appropriate knowhow regarding NSD methods and approaches, and is provided with sufficient resources for the project. The challenges and problems identified during this NSD process have also been noted in previous studies (e.g. Sigala 2012a).

The findings show differences in how eager the customers were to take part in the data collection. A non-targeted e-mail in the first phase of the NSD received far fewer replies (in relation to the sample size) than the more clearly targeted one in the virtual testing. The customers seemed to be more interested in participating during the latter phase of the NSD process, when the activities were more targeted based on the customers' profiles. It seems that the customers in the earlier phase were mainly motivated by the price offered, and later on in the process they were increasingly motivated by being able to influence the development process and help make better services corresponding to the findings of previous studies (Antikainen, 2011; Dunn and Thomas, 1994; Nambisan, 2002; Sjödin and Kristensson, 2012). Thus, it can be argued that the motivation of customers to participate may differ according to the stage of the NSD process and so it is important to target development activities at the right target groups.

It is important to pay attention to customer motivations and their experiences of the NSD process. Hence, the experiences and motivations of customers involved should be identified and examined in order to be able to design and select the most suitable customer involvement methods for different participant groups (Kaasinen et al., 2010). However, the findings also indicate that using methods other than traditional ones for customer involvement may be challenging, time-consuming and expensive for the company (Konu, 2015c) and companies may lack the knowhow to implement them. This is in line with Komppula and Lassila (2014), who state that involving customers in NSD often requires collaboration between tourism companies and universities or other research units familiar with these methods.

The customers involved in this NSD case were very interested in participating in similar activities in future, as over 90% of those who responded to the virtual testing were willing to be members of the forthcoming product development panel. The respondents also appreciated the fact that the company had activities that involved customers in development processes.

As one respondent stated, “It’s great that you listen to your customers’ wishes. I used to be a product developer for Service Plus for years and I have been pleased to see how it changed some of the services. Sometimes you see product packages that do not
appeal to you at all. People need experiences and an advertisement must create the correct associations. In the case of holidays in Lapland, in particular. After all, Lapland is the answer for people living a hectic life in southern Finland who want to have a relaxing holiday.” (A respondent’s reflections about the process). As this quote shows, the customers are willing to participate when they feel that their views are appreciated and will be used in developing the business. This corresponds to the findings of Antikainen’s (2011), which indicate that being able to influence the development process motivates customers to participate in development activities.

4.4 SUMMARY OF THE FINDINGS

4.4.1 Experiential aspect in developing experiential tourism services

Studies (Calver and Page, 2013; Prebensen, 2014) have regarded hedonism as a foundational idea for tourism basing their argument on the underlying motivations of tourists, such as relaxation and enjoyment. However, it has to be noted that tourists are also seeking intellectual aspiration and self-development during their holidays (Calver and Page, 2013; Richards and Wilson, 2006; Voigt et al., 2010). In this study, it is argued that an experiential tourism service should appeal to hedonic and/or eudaimonic motivations that leads, through involvement, to an internal and emotionally engaging experience. Hence, service providers need to identify and recognise how they can facilitate this kind of experiences. This means that it is essential to have deep customer insight regarding current and potential customers. In addition, the special characteristics of a tourism service, namely its longer duration, several encounters and the fact that it is made up of several service modules (Batat and Frochot, 2014; Komppula, 2006; Williams and Soutar, 2005), need to be taken into account together with the context and the situation when experiential tourism services are developed.

Article 1 shows that by using the ethnographic approach, deep customer insight regarding tourists’ emotions and interactions during the whole tourism product, tourists’ opinions and experiences related to the individual service modules and diverse service encounters, were gained. The findings support the framework presented by Quan and Wang (2004) by arguing that the experiential value of a tourism product is built from the sets of core and supporting experiences of the service modules included in the overall service package. In this case, the memorable experiences of the test customers emerged in different situations from which some were mediated by service providers (e.g. a tour guide) and some of them occurred in natural settings without interaction between a service provider and a consumer. Article 1 also showed that customers’ intensive involvement enabled them to gain memorable experiences.
In the NSD of experiential tourism services, the main focus needs to be on the service concept development which is the starting point of the whole development process (also referred to as the front-end stages of NSD by Alam, 2006). The consumer service experience comprises several elements including imaginary experiences, something expected to happen in future (see Heinonen et al., 2010; Heinonen and Strandvik, 2015; Helkkula et al., 2012). In this study (articles 2 and 3), the NSD process started from the idea generation phase and customers were asked to describe what would be their dream holiday in a wellbeing and nature tourism context. The customer narratives from their dream holidays represent their imaginary consumer service experience, including needs, wishes and motivations. These narratives were not necessarily connected to existing resources and activities of the service provider and thus gave new insights into the development process.

4.4.2 Customer involvement methods used
This thesis also contributes to NSD literature by presenting practical examples of diverse NSD processes and methods used to involve customers in diverse phases of NSD, as there has been a lack of studies that show how to engage customers with NSD (Kristensson et al., 2008) and how customer involvement can contribute to NSD processes (Sigala, 2012b). Table 6 gives an overview of the customer involvement methods used in the three case articles. Some of the attributes used in the summary are drawn from previous studies (Alam, 2002; Edvardsson et al., 2012; Komppula and Lassila, 2014).

Articles 1 and 2 focus on examining two not so commonly used methods and approaches, the ethnographical approach and Delphi method, in tourism NSD. However, the empirical findings show that the methods suited well the purpose where they were used: the ethnographic approach to evaluate the functional aspects of the service process and the service system and identify what is the consumer service experience from the trip, and the Delphi method to gain new service ideas corresponding the needs and wishes of potential customers, and evaluating the service ideas. In addition, all the cases show that the utilised methods bring very rich and versatile information related to diverse service components (service concept, service process and service system) and contribute also to other phases of NSD than the ones they were originally applied. This supports the idea that the NSD process is not straight forward but includes iteration between and among the different NSD phases (Alam, 2006; Johnson et al., 2000; Menor et al., 2002).

Article 3 applied longitudinal action research and presented one NSD process from idea generation phase till commercialisation, which included using two different customer involvement methods: narrative approach and virtual product testing, in diverse phases of NSD. The findings show that this approach brought much more information and customer insight to the development process than using solely one method.
### Table 6: Summary of the customer involvement methods used

<table>
<thead>
<tr>
<th>METHODS, ANALYSIS AND EVALUATION CRITERIA</th>
<th>ETHNOGRAPHIC APPROACH</th>
<th>DELPHI</th>
<th>NARRATIVE APPROACH &amp; VIRTUAL PRODUCT TESTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data collection methods/data sets</td>
<td>participant observation, group interviews, and customer feedback surveys</td>
<td>Delphi questionnaires using eDelphi online tool</td>
<td>Email questionnaire, virtual product testing surveys</td>
</tr>
<tr>
<td>Data analysis</td>
<td>Ethnographic description of the trip, qualitative content analysis</td>
<td>Narrative analysis, thematic analysis</td>
<td>Narrative analysis, qualitative content analysis, statistical descriptions</td>
</tr>
<tr>
<td>Purpose of involvement</td>
<td>To evaluate the functional aspects of the service process and the service system and identify what is the consumer service experience from the trip</td>
<td>To gain new service ideas corresponding the needs and wishes of potential customers, and evaluating the service ideas</td>
<td>To develop new services under a certain theme from the idea generation phase till the launch of the new services</td>
</tr>
<tr>
<td>Stage of involvement</td>
<td>External testing phase</td>
<td>Idea generation and idea evaluation/testing phases</td>
<td>Idea generation and external product testing</td>
</tr>
<tr>
<td>Intensity of involvement</td>
<td>High</td>
<td>Moderate</td>
<td>Low/Moderate</td>
</tr>
<tr>
<td>Mode of customer involvement</td>
<td>Visit on-site and filling questionnaires on a daily basis, group interviews</td>
<td>Delphi rounds</td>
<td>Narrative stories, virtual product testing</td>
</tr>
<tr>
<td>Strengths of data collection</td>
<td>Rich and deep information related to all service components, insight from consumers’ emotional responses</td>
<td>New ideas and opinions, same people evaluating ideas</td>
<td>New ideas, possibility reach a large number of respondents, large sample sizes especially at the latter part of the process, targeted activities</td>
</tr>
<tr>
<td>Challenges of data collection</td>
<td>Finding right target group and issues related to that (e.g. language issues); intensive data collection and reporting; time consuming</td>
<td>Finding the right panelists and motivating them to answer the questionnaires; guaranteeing anonymity; time consuming</td>
<td>Challenges that may occur with over-reliance on the existing customer base</td>
</tr>
<tr>
<td>Challenges of data analysis</td>
<td>Collected data sets may either complement each other or they may be very different, requires expertise, presenting the results in a way that they support the decision making in NSD process</td>
<td>Requires expertise, ample data, presenting the results in a way that they support the decision making in NSD process</td>
<td>Large amount of qualitative data makes analysis time consuming, presenting the results in a way that they support the decision making in NSD process</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Number and expertise of personnel</td>
<td>Labour intensive: trained personnel needed</td>
<td>Labour intensive: trained personnel needed</td>
<td>Labour intensive when qualitative data is analysed; trained personnel needed</td>
</tr>
<tr>
<td>Costs</td>
<td>High costs; labour intensive in data collection and analysing qualitative data</td>
<td>Reasonable cost, especially when implemented by using online channels</td>
<td>Data collection and quantitative analyses cost effective, qualitative analyses bring costs higher</td>
</tr>
<tr>
<td>Information that is useful especially in experiential service development</td>
<td>Information gained related to service concept development (especially the emotional responses of participants), information about the interaction between different actors, functionality of service process</td>
<td>New service ideas in a story form and evaluation of the ideas (contributes for service concept development and marketing), suggestions for service system development</td>
<td>New service ideas in a story form (service concept development, but contributes also to service process development), testing the developed tourism services (appeal related to certain components)</td>
</tr>
<tr>
<td>Online/offline</td>
<td>Offline</td>
<td>Online</td>
<td>Online</td>
</tr>
</tbody>
</table>
4.4.3 Issues influencing utilisation of customer involvement in tourism NSD

The findings of this study show that the expected benefits and challenges influenced the willingness of businesses and customers to be part of tourism NSD processes. The findings of article 3 brought forth that to be able to utilise customer involvement successfully requires willingness, commitment and ability at all levels of an organisation. The developers should also be able to motivate and commit customers to the process.

Customer involvement in NSD brought several concrete benefits for businesses in all three NSD cases, such as ideas of the service concept (reflecting the needs and motivations of the consumers), customer evaluations about the service components and service ideas, and detailed suggestions related to the development of service process and service system. This supports the notions made by Alam and Perry (2002) and Magnusson et al. (2003) that requiring deep customer insight and developing new services in collaboration with customers enable businesses to better match consumers’ needs.

From the business perspective, identified challenges can be divided into two groups: challenges related to organising and implementing customer involvement in NSD, and challenges related to the outcomes from the process. The challenges related to the organisational aspect were mainly connected to the resources of the tourism businesses developing the services. These included lack of knowhow of customer involvement methods and their application, lack of time and money, low motivation of the personnel to complete the process, challenge to find right customers and motivate them to participate. Challenges that were connected to the outcome of using diverse customer involvement methods were the analyses of diverse customer data, the challenge to identify the right ideas and act based on them, as all of them were not realisable.

The costs and allocating resources for NSD may be challenging especially for SMEs. In articles 1 and 2, the NSD activities took place in networks that consisted of diverse actors such as tourism businesses, university, local DMOs and other organisations. The networking took place in order to develop services under a certain theme or for some particular area. It was recognised that individual businesses did not have the resources or knowhow to implement the activities alone and that networking was seen as an efficient way to divide costs. In some cases, additional resources may be gained by networking. This was realised in case 1 in which the network received external funding for development purposes.

The findings of this study revealed that customers were interested in and willing to participate in diverse development activities in different phases of NSD processes. For instance, in article 1 the test customers invested their money to take part in the forest wellbeing trip, and in articles 2 and 3 customers were willing to invest their time in discussions, as well as giving comments and feedback. In all of the cases the topic or the content of the experiential tourism
service under development was seen to be appealing or important by the participants, e.g. the test customers in article 1 were highly interested in Finland, forests, nature activities and wellbeing, in article 2 the participants replied to open call for product development of tourism services of one particular area and in article 3 the customers involved were existing customers of the businesses, some of who had an emotional connection to Lapland. However, it was evident that some customers were mainly motivated by the possibility of winning a prize corresponding to findings of previous studies (Antikainen, 2011; Bronner and de Hoog, 2011; Lusch et al., 2007) that have identified similar motivations. It can be argued that the motivations and expected benefits of customers in experiential tourism service development may be connected to the service process, and to the emotional connections to the context and situation of the service.
5 Conclusions and discussion

5.1 THEORETICAL CONTRIBUTION

The purpose of the thesis was to increase understanding about customer involvement in new experiential tourism service development, by discussing customer involvement and consumer service experience in the NSD process of experiential services, and examining the contribution and usefulness of diverse methods utilised new experiential service development.

To be able to discuss experiential services, the concept needed to be first defined. This thesis contributes to the service marketing and management literature by providing following definition for experiential services: An experiential service is an economic activity in which a service provider provides prerequisites that enable a consumer, through involvement, to experience something that is internal and emotionally engaging or affective and appeals to consumer’s hedonic and/or eudaimonic motivations, leading to experiential value. Figure 5 presents the consumer and business perspectives of an experiential service in more detail.

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Figure 5: Consumer and business perspectives of an experiential service
From the consumer perspective the core of an experiential service is the experiential value consumer experiences when consuming the service. The experiential value may include diverse consumption values (Sheth, Newman and Gross, 1991) and it can afford both intrinsic and extrinsic benefits (Mathwick et al., 2001). This is the subjectively evaluated outcome that emerges and comes through the consumption process, and it is affected by a consumer's emotions, feelings and personal characteristics. From the business perspective, the core of the experiential service is the service concept that includes the value propositions.

A consumer process is connected to a service process, which from a business perspective includes different sets of encounters, interactions and service modules. The consumer is involved in the service experience co-creation that is facilitated by the service provider. The service environment includes e.g. the physical environment in which the service takes place, atmosphere and also other customers that influence the consumer service experience. From the business perspective, the service system includes also the physical plant, but also other internal and external resources and intangible components such as image.

Studies of NSD in diverse service sectors, such as financial and technological services (Alam, 2002; Alam and Perry, 2002; Alam, 2006), focus more or less on developing a well-functioning service process, which is regarded as the goal of NSD (Tatikonda and Zeithaml, 2002). However, these studies focus mainly on providing the functional value for the customer during the service process. Although the term experiential service has become more visible in service marketing and management literature during the last ten years, it is surprising how little these services have been examined in the field. This study argues that in experiential service development, the development activities need to start with the identification of the customer needs and motivations that eventually may lead to experiential value with the help of prerequisites service providers offer to facilitate the experience formation. From the business perspective, to be able to develop new experiential services the starting point and the main focus should to be on the service concept development. Because of the specific characteristics of the experiential services (e.g. intensive involvement, emotionally engaging), this study claims that it is highly important to involve customers to the development processes of experiential services, especially when the service concept (what kind of experiential value the service aims to give for a consumer) is developed.

It is argued that marketing scholarship has largely ignored qualitative methods and approaches such as narratives and ethnography in market learning and strategy formulation (Cayla and Arnould, 2013). Even if it is recognised that diverse organisations increasingly use ethnographic approaches in new product design and to get better understanding of new markets (Bezaitis, 2009; Cayla and Arnould, 2013), there is still a lack of knowledge on how companies use ethnography and other qualitative methods to build market knowledge. In this
study, different qualitative customer involvement methods are analytically examined in tourism business context. This study shows that the qualitative methods used in tourism NSD processes gave deeper insight about consumers’ service experiences and consumer behaviour than statistical measures which usually fail to bring forth the complexities of human experience (Cayla and Arnould, 2013; Palmer, 2010). This kind of customer insight is especially important when experiential services are developed.

In this study, the use of phenomenological and ethnographic methods and approaches made it possible to gain a deeper understanding of consumer wishes and needs, and the methods and approaches applied helped to identify emotional responses of customers which correspond to the service concept under development (article 1). The experiential aspects of the tourism services became evident from the narratives in articles 2 and 3, and during the participant observation (article 1). Using qualitative methods enables to gain deeper customer insight and help businesses to understand consumer service experience in the real context. It can be argued that this kind of information would be almost impossible to gain using traditional quantitative methods.

5.2 MANAGERIAL CONTRIBUTION

This study answers the call made by various authors (Helkkula et al., 2012; Hjalager and Nordin, 2011; Zomerdijk and Voss, 2011) who have stated the need to study tourism services, experiential services and service experiences by using diverse, more phenomenological and emphatic methods and approaches. To do this, contributions of different consumer involvement methods in NSD processes of experiential tourism services were discussed in three different case studies (articles 1, 2 and 3), which all have diverse research approaches and methods, namely the ethnographic approach, Delphi method and longitudinal action research. All the individual empirical cases brought several managerial contributions for the particular tourism NSD processes, and they provided further information for tourism development activities that was called for by Tuohino (2012) and VisitFinland (2013).

Studies have shown (Anderson, 2009; Cayla and Arnould, 2013) that qualitative methods such as ethnography have been successfully used in big companies to explain consumer actions. This study shows that also SMEs can utilise and benefit from qualitative methods for instance collaborating with research units. The collaboration profits those businesses that do not necessarily have product and service development units.

Several studies emphasise the online tools in NSD processes (e.g. Hoyer et al., 2010; Pitta and Fowler, 2005; Sigala, 2012b). Articles 2 and 3 showed that different online tools can be used efficiently in NSD purposes. In articles 1 and 3 customers were involved in the testing phase of NSD – offline in article 1 and
online in article 3. The results show that the information gained offline during the visit on-site provided much deeper information particularly in relation to customers’ emotional responses, but on the other hand, the online testing in article 3 brought more information related to the service process and e.g. related to practical issues such as prize. However, in articles 2 and 3 the online collection of customer narratives to develop service concept was efficient and brought information about the needs and wishes of customers and thus give a very good starting point for experiential service concept development. This study argues that the selection between online and offline NSD activities need to be carefully evaluated based on the goals of the whole NSD process and the diverse stages of the NSD process.

The findings showed several issues that influence customer involvement in experiential service development both from the business and consumer perspectives. It is also important to note that when customers are involved in NSD processes they will have an experience from the development process itself.

Previous studies have found that it might be challenging to get customers to participate the NSD activities. The empirical findings of all the three case articles showed that customers were willing to take part in diverse development activities and also invest their resources, such as time, effort and/or money, for it, which corresponded to the findings of Prebensen et al. (2013). The findings also indicate that customers appreciated that their opinions and input were sought during the development process. However, the customers were more willing to participate when they felt that the developed services were targeted at them. Hence, the service developers should plan their development processes in a way that enables targeting development activities at the right target groups. The findings of article 3 support the notion of Sjödin and Kristensson (2012) that customers’ willingness to participate in the NSD process is higher if it is seen to provide positive experiences. Hence, service developers need to find the correct methods and ways to enhance the customer involvement and provide positive experiences already during the NSD process.

In the findings of this study, several concrete benefits and challenges of customer involvement were identified. To implement the NSD process successfully, businesses need to clearly set a goal for the development activities and recognise the possible risks and challenges related to it. In table 7, there is listed the challenges identified in this study, including some suggestions how these challenges could be tackled.
Table 7: Identified challenges of customer involvement

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Suggested solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of knowhow about customer involvement methods</td>
<td>Collaboration with research units familiar with the methods and their implementation</td>
</tr>
<tr>
<td>Lack of resources, e.g. time and money</td>
<td>Collaboration with other businesses or organisations to share costs and responsibilities</td>
</tr>
<tr>
<td>Low motivation of personnel</td>
<td>Personnel (or the person in charge) should be provided sufficient resources to realise the development activities</td>
</tr>
<tr>
<td>Finding right customers to participate</td>
<td>Targeting the development activities to particular target groups depending on the goal of the development process; utilisation of existing customer base; using diverse online channels to identify potential customers and contributors</td>
</tr>
<tr>
<td>Motivating customers to participate the NSD</td>
<td>Recognise that customers may have different motivations to participate in diverse phases of the development process and act based on this information</td>
</tr>
<tr>
<td>Different levels of customer knowhow</td>
<td>Evaluate what kind of contributions are expected from the customers and choosing the participants based on that</td>
</tr>
<tr>
<td>Utilisation and prioritisation of customers’ ideas</td>
<td>Evaluation of the ideas by customers themselves, by front-line employees, by other staff of the company, and/or by other actors involved</td>
</tr>
</tbody>
</table>

To conclude, the empirical findings suggest that involving customers in various ways in service development may provide versatile practical development ideas and suggestions as well as deep customer insight. Hence, it is highly recommended that even small businesses can utilise customer involvement, especially by networking e.g. with other businesses, universities or other research units and members of distribution channels.

5.3 EVALUATION OF THE STUDY AND FUTURE RESEARCH

The evaluation of qualitative research is usually done by evaluating trustworthiness (Creswell, 2014; Decrop, 2004; Eriksson & Kovalainen, 2008; Lincoln & Guba, 1985). Diverse criteria have been used in evaluating the
trustworthiness and the most applied are four criteria for qualitative inquiry developed by Lincoln and Guba (1985), namely credibility (how truthful findings are), transferability (the extent to which the research findings are applicable in different settings), dependability (how consistent and reproducible the findings are), and confirmability (how neutral findings are). In addition to these criteria triangulation is seen to enhance trustworthiness by limiting personal and methodological biases (Decrop, 2004).

The four criteria by Denzin and Guba (1985) were considered as part of the research design of the thesis and they acted as the guiding principle during the research process. In this study different techniques were used to increase trustworthiness. In the case studies, detailed and contextual information about the cases was provided to support data analysis and interpretation, as well as to add credibility. However, the most important technique used to add trustworthiness was triangulation. In the individual cases, data triangulation (using multiple datasets, applied in article 1), investigator triangulation (using different researcher to look same body of data, applied in article 3), informant triangulation (including a broad range of informants and comparing what they say, applied in article 3), longitudinal triangulation (involving the same people to the process at different points of time, applied in article 2) were used (see Decrop, 2004). In addition, in all the individual cases the interpretations of the researcher were also discussed and checked with the informants. The dependability and confirmability of the individual case studies were assessed by the external reviewers of the scientific journals. Using just a single method in a study may be problematic as it may result in selective perception (Decrop, 2004). Hence, in this study method triangulation was applied to enhance the credibility of the findings.

This study also has limitations. One aim of the study was to examine and test customer involvement methods in experiential service development. This study includes only a limited number of methods that can be used to develop experiential services. Nevertheless, the methods examined bring an overview of different approaches that are recommended for use in experiential service development and in the examination of service experiences. However, future studies should examine the applicability and contribution of other approaches and methods, too.

This study does not compare the suitability of different methods in NSD of experiential services, because all of the methods and approaches were used in different cases. To be able to compare the suitability and information provided by diverse methods in detail, they should be applied in the same NSD process and by involving the same customers. In practice this would very difficult as the results may be influenced by the fact that the customers will be more experienced about the process and the service if they are involved in developing the same service over and over again. Again, it might be very difficult to engage customers in these kinds of activities.
Previous studies have also noted that the customer perspective in NSD has received much less attention than the business perspective (Sjödin and Kristensson, 2012). These studies call for research that focuses, for example, on how a customer benefits from involvement. In the results, it is argued that in experiential tourism service development the motivations and expected benefits of a customer may be connected to the service process, but also to the emotional connections to the context, for instance referring to certain tourism destination, and situation, such as consumption of a certain wellbeing tourism service. The future research should focus on how customers experience the NSD processes of experiential services as such, as the emotional engagement of these kinds of services may be higher compared to other services. In addition, future research could also examine how important a role the emotional connections play and how this connection could be utilised to motivate and engage consumers into development processes.
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Konu, H. (2014), Defining and developing wellbeing tourism (Licentiate thesis), Faculty of Social Sciences and Business Studies, Department of Business, Service Management, University of Eastern Finland, Joensuu.


Articles

DEVELOPING A FOREST-BASED WELLBEING TOURISM PRODUCT TOGETHER WITH CUSTOMERS – AN ETHNOGRAPHIC APPROACH

DEVELOPING NATURE-BASED TOURISM PRODUCTS WITH CUSTOMERS BY UTILIZING THE DELPHI METHOD

CUSTOMER INVOLVEMENT IN A NEW SERVICE DEVELOPMENT PROCESS: DEVELOPING THE “FEELGOOD IN LAPLAND” TOURISM OFFERING
Article 1

DEVELOPING A FOREST-BASED WELLBEING TOURISM PRODUCT TOGETHER WITH CUSTOMERS – AN ETHNOGRAPHIC APPROACH


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Case Study

Developing a forest-based wellbeing tourism product together with customers – An ethnographic approach

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HIGHLIGHTS

- Ethnography suits well in the external testing phase of tourism NSD.
- Ethnographic approach brings versatile information for the purpose of NSD.
- Gained information benefits the development of service concept, process and system.
- The customer involvement in NSD benefits both customers and suppliers.

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ABSTRACT

This study aims to examine the usability and usefulness of ethnographic approaches in new service development (NSD) in tourism. This paper discusses and describes what kind of information is gained through the process. The paper includes a case study which uses an ethnographic approach in one phase of the NSD process. The data was collected during a tourism product test phase on-site by participant observation, conducting surveys and holding group interviews. The results show that an ethnographic approach brings highly versatile and detailed information that benefits different phases of NSD and the development of the service concept, service process and service system. Some challenges were identified during the data collection, mainly related to participant observation. This study contributes to tourism management literature by providing an empirical example of how consumers are involved in NSD in the tourism industry and how an ethnographic approach can be utilised in NSD.

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1. Introduction

In recent studies, the role of the customer has been highlighted in product and service development processes. Service-dominant logic (e.g. Vargo & Lusch, 2004) and service logic (e.g. Gronroos, 2006, 2008, 2011) emphasise customer interaction with suppliers during e.g. product design, production and consumption (e.g. Payne, Storbacka, Frow, & Knox, 2009). Services occur when customers and service suppliers interact, which emphasises the central role of the customer in services. This interaction and dialogue between a customer and a service provider is often described as co-creation or co-production (e.g. Payne et al., 2009; Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2004, 2006) and the customer is seen as a co-producer of a service, as well as a co-creator of value (Gronroos, 2007; Vargo & Lusch, 2004, 2006). One of the reasons for discussing the importance of customer involvement is that it is seen to be an effective strategy for improving the success of new services (Sjodin & Kristensson, 2012).

It is stated that the products of the hospitality and tourism industry are always experiential (Williams, 2006) and thus many examples of these services come from the context of “experience” industries, such as restaurants, theme parks, and tourist destinations. Experiential services do not solely focus on the utilitarian benefits resulting from the products/services delivered (Voss & Zomerdi, 2007; Zomerdi & Voss, 2011) but more on the experiential value a consumer obtains from the consumer service experience. Even though the core product of tourism is the experience of the consumer, it is interesting to note how limited the research into how customers are involved in developing tourism products and services is at present (Prebensen, Vittersø, & Dahl, 2013).

Though some studies have recently focused on examining the roles co-creation and customer involvement play in service development and new service development (NSD) in tourism (e.g.
Chathoth, Altnay, Harrington, Okumus, & Chan, 2013; Prebensen et al., 2013) there is still a lack of (especially empirical) studies that focus on the innovative activities and e.g. modes of customer involvement in the tourism and hospitality sector (Hjalager, 2010; Komppula & Lassila, 2014). In addition, Hjalager and Nordin (2011) have stated that future research in tourism innovation should concentrate on examining user-driven innovation methods and practices. A number of studies have outlined methods that are suitable for acquiring customer information (e.g. Alam, 2002; Lagrosen, 2005; von Hippel, 1986), from which some methods are seen as being suitable for particular phases of the development process and others are seen as being appropriate for the gathering of customer information throughout the entire process (von Koskull & Fougère, 2011). However, according to Nijssen and Lieshout (1995, cited in von Koskull & Fougère, 2011), there is little information available concerning the extent and the way in which customer information is actually collected in real cases of service development praxis. This study aims to fill this gap by examining one case of customer involvement in tourism NSD.

Several authors (e.g. Edvardsson, Kristensson, Magnusson, & Sundström, 2012; Ryan, 2010) encourage researchers to tend towards using qualitative methods and approaches that are both interpretative and interactive in order to gain more comprehensive information about the phenomenon under investigation. Ethnographic approaches have quite often been applied in tourism research, especially when examining travel/service experiences (Barbieri, Almeida Santos, & Katsube, 2012; Coghlan & Filo, 2013; Komppula & Gartner, 2013; Muskat, Muskat, Zehrer, & Johns, 2013; Prebensen & Foss, 2011), tourist motivations (Buckley, 2012), tourists as co-producers and in co-constructing experiences (Mordue, 2005; Komppula & Lassila, 2014). To realise the service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core service concept development includes phases of idea generation, core the approach has.

The paper is structured as follows: This introduction is followed by a theoretical section in which I focus on examining customer involvement in NSD and ethnography as an approach/method, and how ethnography is used in business and tourism studies. I then move to describe the context and the study case. This is followed by the data collected during the course of the study, and a description of the method, which includes a presentation on how I conducted the ethnographic research in this case. In the section following the data and method study, I present my findings from the empirical material and bring forth issues that were connected to the usage of the ethnographic approach. In the conclusion, I discuss the most relevant findings and put forward some theoretical and managerial implications.

2. Involving customers in new service development

In tourism, the overall experience and the value for customer derives from services they consume at particular facilities or at a destination. Several authors have pointed out that value for a consumer is generated in the service process (e.g. Gronroos, 2006) and a service company can provide the prerequisites and settings for services and experiences (e.g. Edvardsson & Olsson, 1996). The starting point for new tourism service development needs to be the service concept (the core of a tourist product), which expresses what kind of experiences and value the customer seeks (Komppula, 2006; Konu, Tuohino, & Komppula, 2010). The service process includes the various service modules and steps of the customer process through which the customer consumes the service (Komppula, 2006; Komppula & Lassila, 2014). To realise the service concept, all stakeholders, namely consumers, the service company’s personnel, technical and physical environments and the suppliers all need to be involved in the service process. The service system comprises all of the resources available to the service process for realising the service concept (Edvardsson & Olsson, 1996), e.g. the internal and external resources of a service provider. Hence, both the service process (including the services and interaction) and the service system (including e.g. external resources such as destination resources) influence the experience the customer has (e.g. Komppula & Boxberg, 2002; Tuohino, Konu, Hjalager, & Huijbens, 2013). The service concept, service process and service system are seen as prerequisites for a customer-orientated tourist product (Komppula, 2006). Konu et al. (2010) have adapted several NPD and NSD theories and applied them to the tourist product context. Their framework for service system development includes five main phases: service concept development, service process development, market testing, commercialisation and post-introduction evaluation. Service concept development includes phases of idea generation, core
product screening, concept testing and concept development. The phases of service process development arrive from service module creation and development, service blueprinting, (internal) prototype testing, business analysis and formal product blueprinting. Market testing includes external testing and financial evaluation, and is followed by commercialisation and post-introduction evaluation.

Customers can be involved in product and service development during the early stages of the innovation process, e.g. by testing their ideas into their tacit knowledge (see also Alam, 2006; Prahalad & Santos, 2009), but previous studies have shown that customers are mostly involved in the later stages of the innovation process, for example when testing a product that is almost ready for sale and marketing (Prahalad & Santos, 2009). It is emphasised that customers should be involved in the whole new service development process as it may have a positive influence (e.g. Alam & Perry, 2002). Many studies have examined the phases of NSD, but there is a lack of research that brings forth detailed descriptions of the external testing of services (Meiren & Burger, 2009). Some studies have listed the aims and goals of the testing phase as including the examination of the suitability for markets, evaluation of the benefits for customers and whether the needs of customers are met, and checking the functionality of the service process (e.g. Kinnunen, 2004; Nicolaisen & Scupola, 2011). Challenges in testing new services arise from the intangible nature of services (existing only in the moment of its delivery to a customer) and the fact that services are usually tailored to individual buyers or customers at the point of purchase (Thomke, 2003). For these reasons, services are difficult to test in laboratories and they cannot be tested through large samples (Meiren & Burger, 2009; Thomke, 2003). This, in addition to e.g. controlling the testing environment and not testing the service, is one of the main reasons why testing phases are difficult to conduct live, with real customers, and in real transactions (Thomke, 2003). In service testing, customers participate in the service delivery processes and they may suggest improvements (Alam & Perry, 2002) based on their experiences. Meiren and Barth (2002, cited in Meiren & Burger, 2009, pp. 623–624) discuss three methods that have been used in service testing, namely conceptual tests (verifying the consistency and plausibility of the service documentation), real testing carried out with real customers, usability tests (testing e.g. the user friendliness of the new operative resources or problems if the customers cannot handle the new resources), and practical tests (testing new services in a pilot market; services are offered to a limited number of customers). In this study, a practical test that aims to investigate new services in a pilot market is employed in order to study real interaction with real potential customers.

Both qualitative and quantitative methods are used in NSD and customers are involved in the information acquisition process through their application of varying approaches. Relatively few studies have tried to map and categorise the different customer involvement methods used in new service development. Hjalager and Nordin (2011) have developed a typology of user-driven innovation used in the tourism industry that includes different ways to involve users in an innovation process. User-driven innovation can be seen as a part of customer involvement and thus the typology is also applicable in this context. The typology approaches the issue from two perspectives: first, by considering the number of people who take part in the innovation process and second, by considering the assumptions being made about the people and the nature of their contribution to the process (Hjalager & Nordin, 2011). The typology is based on four innovation approaches, namely tapping data, interpreting information, nurturing creativity, and experimenting and testing.

Tapping data includes customer surveys, complaint collection and analysis, analysis of guest and visitor books, blog mining and product ratings. These methods involve large numbers of users who serve as a passive source of information (Hjalager & Nordin, 2011) and are suitable when it is important to gather large amounts of information. Many of these methods are also fairly cost effective, e.g. when online surveys are used. Information interpretation includes methods such as customer interviews, critical incident interviews, focus groups, observations of consumer behaviour, user panels, and diaries. These processes involve only a limited number of people in the process and people are still passive suppliers of information (Hjalager & Nordin, 2011). These methods can bring more detailed insight to a number of use situations and more detailed information can be gleaned about the customer experiences of certain services. Nurturing creativity includes the research of user communities, and making open calls for product or service development and configuration. These methods include several people and during the process people act as active co-developers (Hjalager & Nordin, 2011). These methods are more interactive and encourage a customer to contribute e.g. to discussions about certain products and services. Experimenting and testing include activities such as the research of lead-user communities, innovation camps, co-production and toolkits, involving only a limited number of people as active co-developers (Hjalager & Nordin, 2011). These methods normally support high interaction between customers and the service providers throughout the whole NSD process.

Edvardsson et al. (2012) have a different approach for examining customer involvement in service development. They utilise use situation (a customer can provide information either inside (in situ) or outside of the use situation (ex situ)) and resource contexts (all situations happen either in-context or ex-context) to elaborate four
different service-related customer conditions. Following this thought Edvardsson et al. (2012) developed four ideal types of customers as sources of information: the correspondent who has experience in real service contexts and situations, the reflective practitioner who has experience of the service context that is not connected to real-life situations, the tester who has learned the service context from outside and is testing a simulated real-life situation, and the dreamer who has not been a part of the real-life value-created situation and has learned the context from the outside. Edvardsson et al. (2012) categorised a number of methods that can be used to gain information from customers that have different experiences of both the situation and the context in which the service is developed. They put forward four different qualities of methods by evaluating the type of information collected, innovation knowledge, the degree of interactivity, reporting, and needs identification. These qualities are also used in this study in the evaluation of the ethnographic approach in NSD.

3. Ethnography in business and tourism studies

Ethnography is commonly used when cultural systems and meanings are studied (Eriksson & Kovalainen, 2008; Goulding, 2005). Consumption is part of cultural and ethnographic analysis in studying the social meanings of consumption and ownership (Goulding, 2005). Traditionally, the goal of an ethnographic study is to understand reality by focussing on ordinary experiences and the everyday life of people (Holloway, Brown, & Shipway, 2010). The aim of ethnography is to get first-hand experience and explore certain social or cultural settings by using mainly participant observation (Atkinson, Coffey, Delamont, Lofland, & Lofland, 2007). An ethnographic approach (Goulding, 1985) is recognised by distinctive features. These are the study of one or a small number of cases usually over a lengthy period of time (e.g. days or years), adopting a wide initial focus at the outset of research (not just testing narrowly defined hypotheses), using a range of types of data (e.g. observational and/or interview data, documents, statistics, questionnaire data), using minimal pre-structuring of the data (focus on detailed field notes, additionally using audio and video data), and analysing the data by using verbal descriptions and explanations (Hammersley, 1992, cited in Churton & Brown, 2010, p. 282).

In qualitative research, a commonly applied paradigm or fieldwork is constructivism (Creswell, 2014; Lincoln, Lynham, & Guba, 2011) which adopts a relativist sort of ontology, meaning that it is recognised that multiple realities exist and people construct their knowledge through lived experiences and interactions with others. Hence a researcher must take part in the research process with the research subjects to ensure that the knowledge produced reflects their reality (Lincoln et al., 2011). Documenting multiple perspectives of reality helps to understand why people act and think in different ways (Fetterman, 2010). In ethnographic research, a researcher can interpret information about a research subject from two different perspectives. First, (s)he can describe and bring forth issues and things as they have observed and experienced them (emic perspective/insider’s view), and second, they may interpret issues and things and highlight different meanings (etic perspective/outsider views) (Eriksson & Kovalainen, 2008; Goulding, 2005). In the emic perspective, multiple realities are recognised and accepted (Fetterman, 2010). Boyle (1984) suggests that most ethnographies combine elements of both emic and etic analysis and that the emphasis usually varies according to the philosophy of the researcher. Today, it is common that many ethnographers start the data collection from the emic perspective and then try to make sense of the collected data in terms of the native’s view and also their own scientific analysis (etic perspective) (Fetterman, 2010).

Ethnography has been used to some extent in marketing and consumer research. According to Arnould and Wallendorf (1994), the goals of ethnographic marketing research can focus on various things, such as understanding the work of people constituting a market and examining the cultural meanings of marketing outputs from a consumer’s perspective. To give a few examples, ethnography has been used to study consumption in different cultures (Arnould, 1989), consumption of particular groups of peoples (Hill & Staeary, 1990; Penaloza, 1994), the subculture of consumption – ‘organisational ethnography’ (Schwartzman, 1993, cited by Eriksson & Kovalainen, 2008, p. 139). These studies focus mainly on “how people in specific work settings make sense of their day-to-day actions and situations” (Eriksson & Kovalainen, 2008, p. 139). Ethnography has also been applied to gain practical marketing and management insights (e.g. in foodservice management, Gramling et al., 2005); these kinds of studies are usually designed to answer diverse industry-specific questions (Belk, Fischer, & Kozinets, 2013).

The focus of this paper is to examine how an ethnographic approach is utilised in hospitality services and more specifically in developing new services. Several studies that have applied ethnography in tourism (Barbieri et al., 2012; Buckley, 2012; Coghlan & Filo, 2013; Houge Mackenzie & Kerr, 2013; Kompula & Gartner, 2013; Larsen & Maged, 2013; Mordue, 2005; Muskat et al., 2013; Prebensen & Foss, 2011; Rantala, 2011; Tumbat, 2011) do not intentionally focus on service development, but their results can be adapted for development purposes in relation to existing services. Carvalho de Barros & Filho (2013) also conduct research on consumption and eating-out experiences that are provided by commercial eating-out establishments. They especially focussed on the environmental environments (i.e. service system) and identified six ideal types of service providers. One the most famous ethnographic studies made in the hospitality field using ethnographic methods is Arnold and Price’s (1992) study about experiences relating to river rafting services. They focussed on studying the key elements in delivering extraordinary experiences, presenting diverse perspectives of service encounters, and the role of interaction in delivering service outcomes. In their study, they collected valuable information related to how the functionality of the service process was received (e.g. role of the guide). The above-mentioned studies made in the tourism sector bring forth information about the emotions, motivations and experiences of tourists during their trips. From a service management and development point of view, this is important information and it can be used e.g. in service concept development. However, there is a lack of research that focuses on examining and using ethnography when new services are developed.

To my knowledge, there are only a few studies that have used ethnography in examining NSD or in NSD. A study of von Koskull and Fougeré (2011) examines a service development as practice by using an ethnographic research approach that longitudinally examines the incremental development process of a bank’s website. They discovered that developers were talking about keeping the customer in mind when the service was being developed but actual and direct customer information was hardly used. Kompula and Lassila (2014) applied several methods of customer involvement in their study, including ethnography. They state that by using the information gathered in an ethnographic study it was possible to develop the service system and the service process of a tourism business. However they also mention that the large amounts of data, costs and the time required for the process can restrict the use of ethnography by tourism businesses. Heikkilä and Ryynänen (2014) examined the appropriateness and
suitability of participant observation as a method for collecting data in tourism product development. They used constant comparisons to compare data collected by observation and questionnaires. According to their findings, participant observation is a suitable data collection method when testing a tourist product, but additional data collection methods such as surveys and interviews should be used in order to get more reliable data during the product testing phase.

In ethnographic research, the researcher takes on a large role in understanding the research subject. It is common that in an ethnographic study, a phenomenon is studied by utilising a variety of sets of data and data collection methods (Fetterman, 2010; Goulding, 2005; Holloway et al., 2010). Data is often acquired by using participant observation in which the researcher is involved in research in everyday life and activities. In addition, the data may be collected by using other methods such as by conducting interviews and the delivery questionnaires (e.g. Fetterman, 2010). During recent years, researchers have also started to carry out ethnographic research in virtual space by using diverse ethnographic methods (e.g. Belk et al., 2013). Several ethnographic studies show that using multiple methods in data collection enables the gathering of a more comprehensive picture from the phenomenon examined (e.g. Arnold & Price, 1993; Heikkilä and Rymonen, 2014; Arnold and Price (1993, p. 41) conclude in their study that “No data set stands on its own as sufficient evidence of the narrative. Each data set can be criticized on one or more criteria (Arnould & Wallendorf, 1993). Together, however, they converge to tell a story about “river magic.” Articles that have used an ethnographic approach have usually used several different methods to collect the data. Table 1 presents an overview of the methods used in the articles referred to above.

Even though ethnographic studies (and especially studies with an auto-ethnographic approach, see e.g. Barbieri et al., 2012; Buckley, 2012; Komppula & Gartner, 2013; Prebensen & Foss, 2011) have become more common in tourism studies, and have also seen the emergence of studies in relation to co-producing and co-constructing services (Larsen & Meged, 2013; Tumbat, 2011), there still exists a lack of empirical research that utilises and examines the usage of an ethnographic research approach in new service development in the tourism and hospitality sectors.

4. Wellbeing tourism – developing a forest-based wellbeing tourism product

4.1. Defining wellbeing tourism

In the tourism field there are several forms of tourism mainly focusing on increasing or enhancing consumers’ individual wellbeing. Health and wellness tourism have become important topics in tourism research and the tourism business, and the concept of wellness has established its standing in tourism terminology (Kangas & Tuohino, 2008; Konu, 2010). In addition to health and wellness tourism, several other forms of tourism related to physical and mental wellbeing have been introduced and many authors have examined and explored the different forms and concepts related to them (e.g. Björk, Tuohino, & Konu, 2011; Chen, Prebensen, & Huan, 2008; Goodrich & Goodrich, 1987; Mair, 2005; Voigt, Brown, & Howat, 2011) and discussed their various interrelationships (e.g. Hall, 2011; Konu, 2010). There are many different views about the relationships between these diverse concepts. For example, health tourism and healthcare tourism concepts are used alongside wellbeing and wellness tourism. According to García-Altés (2005, p. 262; adapting Ross, 2001) health tourism is based on travelling outside the home to take care of one’s health, and the purpose of the trip may be the healing of an illness or its prevention, and the promotion of wellbeing. Wellbeing and healthcare tourism are seen as sub-concepts of health tourism (e.g. FTB, 2005; Konu, 2010; Suontausta & Tyni, 2005). Wellbeing/wellness tourism differs from healthcare tourism based on the motives for travel. In healthcare tourism, the main motive is to treat an illness, while in wellbeing tourism the main motive is to prevent illness or maintain one’s health and wellbeing.

In addition to enhancing physical and mental wellbeing, the goal of wellbeing tourism is also to obtain/provide pleasurable and luxurious experiences (e.g. Konu et al., 2010). In addition to the aforementioned concepts, other forms of tourism are further connected to the theme. For instance, spiritual tourism, spa tourism, medical tourism, Thalasso tourism, occupational wellness tourism, and yoga and meditation tourism (Smith & Puczko, 2009) can be regarded as sub-sectors of health tourism. Wellbeing tourism has mainly been used as an advertising concept (e.g. by the Finnish Tourist Board) but it is also being increasingly discussed in academic literature (e.g. Björk et al., 2011; Hjalager et al., 2011; Konu, 2010; Konu & Laukkanen, 2010; Pesonen & Komppula, 2010; Pesonen, Laukkanen, & Komppula, 2011). As multiple definitions of wellness and wellness tourism ranging from the very broad (e.g. Müller & Lanz Kaufmann, 2001) to the more specific (e.g. Garrett, 2006) exist in academic literature, the concepts of wellness tourism and wellbeing tourism have in many cases been used as synonyms (e.g. Huijbens, 2011). However, some differences between the concepts have also been addressed (e.g. Björk, 2011).

Sheldon and Bushell (2009, p. 11) define wellness tourism as follows: “Wellness tourism is a holistic mode of travel that integrates a quest for physical health, beauty, or longevity, and/or a heightening of consciousness or spiritual awareness, and a connection with community, nature, or the divine mystery. It encompasses a range of tourism experiences in destinations with wellness products, appropriate infrastructures, facilities, and natural and wellness resources.” This definition includes several different perspectives ranging from the tourist’s experience to the service offering and destination. In this study a similar approach is used, and wellbeing tourism is seen as a specific concept defined by adapting the definition laid out by Björk et al. (2011) (modified from Björk, 2011): “…trips taken by people who temporarily relinquish the places where they normally live and work, for reasons of self-indulgence, health retreats, and their personal wellbeing, and the sum of phenomena and relationships arising there from” and adding the supply and environment elements to it. Hence, wellbeing tourists travel to destinations that provide wide selections of wellbeing and wellness services, which can range from physical activities to services enhancing mental wellbeing, such as pampering, refreshment of the body and mind, spiritual awareness, exercise and experiences of luxury. The wellbeing destinations are usually located in areas and regions that have appealing natural settings (Kelly & Smith, 2009; Konu et al., 2010; Pechlaner & Fischer, 2006; Smith & Puczko, 2009).

In Finland, wellbeing tourism has been identified as a unique form of tourism with a special strategy for international markets (FTB, 2008), highlighting the natural resources as a core of the wellbeing tourism product. Several studies emphasise the importance of the environment for customers (and destination) in wellbeing tourism (Kelly & Smith, 2009; Smith & Puczko, 2008). Some of the wellbeing and wellness tourism concepts, such as ‘Alpine Wellness’ (Pechlaner & Fischer, 2006) and ‘Lake Wellness’ (Konu et al., 2010), are strongly based on the natural resources of a destination. In addition, many wellbeing and wellness services are dependent on natural resources. Good examples are mineral waters and hot springs that are believed to have healing powers (Erfurt-Cooper & Cooper, 2009).
4.2. Background for forest-based wellbeing tourism and the development process of forest-based wellbeing tourism products – the case description

Both in Finland and Japan, the positive effects of the forest on physical and mental health and the wellbeing of individuals have been under investigation for some time. In Finland, for instance, the benefits of nature, green areas and forest environments for wellbeing are recognised (e.g. Korpela, Borodulin, Neuvonen, Paronen, & Tyrväinen, 2014; Tyrväinen et al., 2014). In Japan there is a rather new tradition of forest bathing (‘Shinrin-yoku’) that is a form of relaxation associated with forest recreation (Park et al., 2009). It is shown that ‘Shinrin-yoku’ reduce stress (Tsunestugu, Park, & Yoshifumi, 2010). The research results showing the benefits of nature and forest environments indicate that the forest can be an ideal setting and resource for wellbeing tourism in which the aim is to enhance and promote one’s personal wellbeing. Finland has an abundance of forests and wilderness areas which could be used for activities related to forest therapy and relaxation in natural settings. However, these resources, especially in the wellbeing tourism context, remain rather underutilised.

Forest-based wellbeing tourism can be defined based on the core resource utilised in the tourism products – the forests: Forest-based wellbeing tourism takes place in or near a forest environment. The forest-based wellbeing tourism product may include e.g. physical activities and relaxation/stress relief in the forest, utilisation of the natural resources of the forests (e.g. berries for food and materials for handicrafts) and also learning activities related to how to use natural resources for wellbeing purposes (Konu, 2014).

This case study describes one part of a Forest wellbeing tourism project, the aim of which was to develop a range of wellbeing tourism products highlighting the special characteristics of eastern Finland (an area characterised by large forests). The Japanese were selected as a potential international target group as they have long traditions for wellbeing tourism, experience of forest therapies (e.g. Lee et al., 2012; Park et al., 2009; Tsunestugu et al., 2010), and they are the largest group of visitors coming to Finland from outside of Europe.

The aim of the project was to develop product modules that could be included in a tourism package. The product modules are based on the local service system, the strengths of which include forests, lakes, the clean air of the biosphere reserve, nature’s offerings (food), Karelian culture and folk medicine traditions. The service modules form the service process through which the customer experience occurs leading to customer value (Komppula, 2006; Komppula & Gartner, 2013). Hence, the aim is to develop the service modules in a way that they support the service concept of a forest-based wellbeing tourism product. The services are developed in a business network that was built around the theme. The range of service modules can be used as a part of a tourism package, but they can also serve as independent tourism activities. The product is developed together with the representatives of the potential target group, and hence the customers have been involved in several phases of the NSD processes.

<table>
<thead>
<tr>
<th>Source Method used</th>
<th>Observation</th>
<th>Interviews</th>
<th>Surveys</th>
<th>Written materials</th>
<th>Video-ethnography</th>
<th>Mobile ethnography</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arnould and Price (1993)</td>
<td>X (participant observation)</td>
<td>X (focus groups, in-depth interviews)</td>
<td>X (drop-off/mail-back, pre-river-trip and post-river-trip surveys)</td>
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<tr>
<td>Barbieri et al. (2012)</td>
<td>X (direct and participant observation)</td>
<td>X (informal conversations)</td>
<td></td>
<td></td>
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<tr>
<td>Buckley (2012)</td>
<td>X (participant observation)</td>
<td>X (informal discussions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carvallo de Rezende and Rodrigues Silva (2012)</td>
<td>X (non-participant observation)</td>
<td>X (interviews)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coghlan and Filo (2013)</td>
<td>X (participant observation)</td>
<td>X (focus groups and interviews)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hooge Mackenzie and Kerr (2013)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X (diaries: auto-ethnographic approach)</td>
</tr>
<tr>
<td>Komppula and Gartner (2013)</td>
<td>X</td>
<td>X (semi-structured)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>von Koskull and Fougère (2011)</td>
<td>X (face-to-face, telephone, mix of face-to-face and telephone observation, observer as unobtrusive as possible)</td>
<td>X (diaries: including participation observations, discussions and lived experiences)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Larsen and Meged (2013)</td>
<td>X (participant observation)</td>
<td>X (focus groups, in-depth interviews)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mordue (2005)</td>
<td>X</td>
<td>X (diaries: including participation observations, discussions and lived experiences)</td>
<td></td>
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<tr>
<td>Muskat et al. (2013)</td>
<td>X (participant observation)</td>
<td>X (in-depth interviews)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Prebensen and Foss (2011)</td>
<td>X</td>
<td>X (diaries: including participation observations, discussions and lived experiences)</td>
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</table>
The developments in this case started with an explorative study aiming to find out the needs and interests of Japanese tourists in relation to forest-based wellbeing products (see Komppula & Snicker, 2013). Based on the findings of the study and information gathered from reports of Japanese consumer behaviour and trends (e.g., FTB, 2011; OECD Economic Surveys, 2011) the businesses involved in the project started to develop a diverse range of service modules. In the next phase, the service modules were tested by using a virtual product testing platform (Konu, 2014) that produced significant amounts of pertinent information, as well as suggestions for the further development of the modules. Those service modules that were found appealing or received diverse comments were chosen for the actual on-site test product. Fig. 1 shows the service development process of this case. This paper will focus on the phase circled in red (in the web version), namely the external testing of the service modules developed and the overall tourism package product with a Japanese test group on-site.

5. Data collection and analysis

Even though qualitative methods are being used more and more in tourism studies, some of the qualitative research techniques such as ethnography, auto-ethnography or participant observation, are not numbered among the most commonly applied (Komppula & Gartner, 2013). Because a tourist experience is subjective and different people experience the same situations (e.g., service consumption) in different ways, it is important to examine these experiences from the perspectives of the individuals involved (Ryan, 2010). In this case study data about the product testing phase of the NSD was collected by using an ethnographic approach in order to obtain versatile information about on-site product testing. In this study it is recognised that multiple realities exist and people construe knowledge through lived experiences and interactions with others (Lincoln et al., 2011). By using ethnographic approaches and multiple data collection methods, a more comprehensive picture of the phenomenon under examination is gained and the different realities of the informants are revealed. The multiple perspectives of reality help to understand why people act and think different ways (Fetterman, 2010) and for instance in this case why certain service modules are experienced differently. In this study, I have a subjectivist view on ontology as I assume that reality is an output of social and cognitive processes (e.g., Eriksson & Kovalainen, 2008) and reality is about the interpretations of individuals and groups (Blakie, 1993).

The data was collected during a tourism product test on-site in north Karelia, Finland, 25–30 August 2013. The test group was formed from eight Japanese customers and two representatives of a tour operator that offers trips to Finland for Japanese tourists (see Table 2). The goal was to gather feedback from different perspectives — from the end users and from the intermediaries. The Finnish project personnel gave guidelines for choosing the test customers from Japan. As it is suggested that test customers should be interested and motivated to test the product and the testers should represent the potential target market for the product (Hoyer, Chandy, Dorotic, Krafft, & Singh, 2010), the customers were selected to represent potential target groups (e.g., people interested in nature and nature activities, and wellbeing) for the forest-based wellbeing tourism product. It was recognised in the explorative study that this type of product does not necessarily appeal to wider markets, so a strategic decision was made to focus on a niche market that may find the product appealing. In addition to the interest in the topic, the participants should comprise different age groups, both genders and show an interest in Finland. The project’s collaborative partner in Japan was in charge of the final selection of the test customers. As it was expected that the participants were already interested in Finland, the test customers were sought out with the help of the Finnish Japanese Society. In addition to the Japanese participants, the representatives of the most important partner of the Finnish Tourist Board that organises tours for Japanese people to Finland were invited on the test trip. Their experience about Japanese customers was seen as valuable and it was anticipated that they would have the expertise to evaluate whether the product would be saleable on Japanese markets.

The test product is usually free for the test customers but sometimes test customers are asked to pay something for the product as a willingness to pay indicates that the test customers are truly interested in the product (Komppula & Boxberg, 2002). In this case, the selected test customers paid for their flights to the destination and back, but the trip programme, all activities, food and accommodation was free for them.

![Fig. 1. The new service development process for a forest-based wellbeing tourism product.](image-url)
The data was collected by means of participant observation, group interviews, and customer feedback surveys by the author of this paper. From now on I will report the process of the study from the first-person perspective. Comparing data from different sources adds reliability to the interpretation of the results. In addition, the multiple data sets complemented each other. Participant observation can provide detailed information e.g. about the functionality of the tourism product and its service modules, and give a different perspective concerning how customers perceive the product (Heikkilä & Rynänen, 2014; Kompula & Lassila, 2014). Participant observation may also provide information that does not necessarily come up during the course of customer feedback (e.g. customers may forget to report something or they do not necessarily want to complain about some issues). During the participant observation in this case, I focused on observing the service environments, the customers and the interaction between service providers, customers and the environment. In addition, I also brought forth my own experiences from diverse situations. The data from participant observation comes from field notes (from now on referred to as FN) that I wrote during the trip. The notes include both emic and etic perspectives. I also took a number of pictures from different situations and activities to support the FN. I started the observation at the airport when the test group arrived at the destination and continued until their departure. I took part in all of the activities with the test customers during the test trip.

In the beginning of the trip, I introduced myself as a researcher and said that my role during the trip was to be one of the customers and to observe how things and services are going. In addition to myself, an interpreter and a local Finnish tour guide were present and said that my role during the trip was to be one of the customers and to observe how things and services are going. In addition, I also mentioned the feedback surveys and asked them to fill in the forms on a daily basis and to return the forms to me. In the open-ended questionnaire, they were asked to describe what activities and/or things were the best during the day, what they would improve, and their overall assessment of the day.

At the end of the test trip, I conducted two group interviews to supplement the information gained from participant observation and customer feedback forms. In one interview, two Japanese women and in the other two representatives of the tour operators were interviewed. The interview with the Japanese visitors was carried out in English but the interpreter was present if something needed clarification during the interview. The interview with the tour operator representatives was in English. The interviews were open and they lasted 18 and 24 min. The interviews dealt with the experiences of the test customers, e.g. what the most memorable experience/the best part of this trip was, and what they would improve.

I prepared and organised the raw data for analysis by typing FN and transcribing interviews. In addition, the interpreter that took part in the test trip translated the written feedback responses into Finnish. The overall data consisted of the field notes (26 pages), written responses of the test customers (53 pages) and the two interviews. I read the data through several times and organised it first in the order the material was gathered each day. This helped me to make a description of the whole trip from the beginning to the end. The trip description included a depiction of all activities day by day and activity by activity, telling the story of the whole week. In the description, I also used available additional material related to the overall product and individual service modules. The interpretation of the data was discussed with the interpreter and the tour guide that had gained experiences from the whole trip. To increase the trustworthiness (Creswell, 2014; Eriksson & Kovalainen, 2008; Lincoln & Cuba, 1985) the interpretations of the researcher were also discussed and checked with the informants.

For the purpose of this paper, where the focus is not the ethnographic description of the trip as such but the usability of the ethnographic approach in NSD, I have analysed the collected data by using the same perspectives that Edvardsson et al. (2012) employed when they studied customer integration within service development. I analysed the data by using a qualitative content analysis that interprets meanings, themes and patterns that are visible or latent in the data examined (Çakmak & Isaac, 2012). I used the four perspectives by Edvardsson et al. (2012), namely the form of the information generated, innovation knowledge, degree of interactivity, and reporting and need identification, as an analysis framework. These were used as the main themes in the analysis. To obtain more detailed and profound information, I adapted an inductive perspective to ground the examination of themes that came up under each main category. In examining the information generated and the innovation knowledge, I also differentiated what kind of information was gained by using the different data gathering methods in an ethnographic approach.

6. Findings and discussion

6.1. Information gained for development purposes and innovation knowledge

During the test trip, a lot of information was gained in relation to the appeal and functionality of individual service modules, as well as the suitability of the modules for Japanese tourists. In addition, information was received about the whole tourism package, the need for additional information, and commercialisation.

A lot of comments and suggestions were received related to the diverse service modules part of the trip. The comments varied from a general level, e.g. whether the service was appealing or not, to very detailed suggestions, e.g. how a particular service module could be improved. The emphasis of the components experienced by the customers differed a lot in relation to some modules. To give an example, comments about a service module that included cooking with mushrooms and other ingredients that were harvested from the forest or were produced locally were either focused

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**Table 2**

Profile of the participants.

<table>
<thead>
<tr>
<th>Tester</th>
<th>Age</th>
<th>Gender</th>
<th>Occupation</th>
<th>Nationality</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>20</td>
<td>Female</td>
<td>Student</td>
<td>Japanese</td>
</tr>
<tr>
<td>2</td>
<td>50</td>
<td>Male</td>
<td>Guide</td>
<td>Japanese</td>
</tr>
<tr>
<td>3</td>
<td>53</td>
<td>Male</td>
<td>Medical doctor</td>
<td>Japanese</td>
</tr>
<tr>
<td>4</td>
<td>60</td>
<td>Female</td>
<td>Horticultural therapist</td>
<td>Japanese</td>
</tr>
<tr>
<td>5</td>
<td>55</td>
<td>Female</td>
<td>Horticultural therapist</td>
<td>Japanese</td>
</tr>
<tr>
<td>6</td>
<td>47</td>
<td>Female</td>
<td>Producer &amp; planner</td>
<td>Japanese</td>
</tr>
<tr>
<td>7</td>
<td>55</td>
<td>Female</td>
<td>English teacher</td>
<td>Japanese</td>
</tr>
<tr>
<td>8</td>
<td>54</td>
<td>Female</td>
<td>Housewife</td>
<td>Japanese</td>
</tr>
<tr>
<td>9</td>
<td>30</td>
<td>Female</td>
<td>Tour operator representative</td>
<td>Finnish</td>
</tr>
<tr>
<td>10</td>
<td>27</td>
<td>Female</td>
<td>Tour operator representative</td>
<td>Estonian</td>
</tr>
</tbody>
</table>
on ‘self-making’ or on the experience of tasting and gathering e.g. berries (and the experience that one could collect the raw materials personally). One Japanese woman commented on issues that were not originally at the core of the product: “It was fun because I had many different experiences such as visiting patches, picking fruits and berries, playing with a dog and also making a blueberry pie, and the food was good too.” (author’s translation, feedback form).

The data shows that the best activities during the trip were activities that were connected to nature and the forest (e.g. hiking, kayaking and guided tours including “silent walks” and “nature as an energizer”). One Japanese woman commented on this as follows: “The National Park was ‘expansive’ and open, and the trees did not grow in thickets. Hence the atmosphere was really soothing and you could stay there at one’s leisure. It made me feel healthier and even if the total schedule was rather tight we got to spend a long time there [in the forest]. The forest made me feel calm and energized.” (author’s translation, feedback form). The walking in the forests in Finland was perceived as being easier than in Japan and hence the test customers felt that it was easier for them to relax in Finnish forests. The strengths of the nature activities included exercises focussing on ‘being in the moment’, experiencing nature with time, silence and the fact that being in nature and the nature activities themselves do not need to just be the carrying out of an activity (e.g. hiking fast from one place to another). Being in the moment and experiencing nature raised very powerful feelings for some test customers: “The first exercise raised strong feelings among the Japanese guests. One of the women said that she felt being part of nature and felt that it was much easier to breathe in that situation. Another woman said that she felt very relaxed hugging a tree and she almost fell asleep when hugging it.” (FN) Some of Japanese were very touched and emotional and even shed tears.

As this was a test trip, the timetable was very tight because many activities and service modules were to be tested. This felt rather exhausting for the test customers. In addition, the timetable did not hold up very well and the days became very long. The whole programme was planned in a way that each day had some kind of theme. However, the theme could have been stated more explicitly and the programme should have included the topics for the days. Some of the comments and suggestions were not directly connected to some particular service module. In these kind of comments, the test customers gave suggestions for new service modules that could e.g. replace the most uninteresting ones. The data revealed that the Japanese customers expected much more detailed information than was provided.

During the trip the Japanese visitors also gave suggestions related to the marketing and selling of these kinds of tourism products to Japanese markets. They gave suggestions about possible target groups and highlighted that it is essentially important to raise the general awareness of Finland and particular areas of Finland in Japan. Giving clear themes to the trips and each day of the trip would also help to target the product more efficiently to the right target groups. Table 3 summarises the information that was received for the development process by using an ethnographic approach and differentiates between the kinds of information gained from different data sets.

Table 3 shows that the information gathered by different methods with an ethnographic approach yields rather diversified information from the tested product. Hence, the types of information gained by observation, as well as via questionnaires and interviews, completed each other. First, participant observation gave insights about the service system, service process and also about the service concept of the overall tourism product studied. Based on the observations, the service concept of a forest-based wellbeing tourism product should be about experiencing the forest in different ways in order to relax, be in the moment, and feel personal wellbeing. The service process includes the particular service modules that help the customer to achieve this feeling and outcome. The observations provided a lot of practical information about the individual service modules that did not necessarily come up in the customer feedback and interviews. These observations were e.g. related to the overall functionality of a service, whether the group size was right, whether all the materials were easily available or accessible, and how the customers reacted to the information the guides gave, and on what kinds of details the customers paid attention to. I also reported what kinds of feelings the elements connected the service system (environment, infrastructures, atmosphere, quality of service and so on) gave me and what kinds of feelings and emotions I observed (and what the test customers told me) and were elicited in the test customers by the forest environment.

Second, the test customers filled the daily questionnaires in which wrote very detailed experiences and comments. Some of the comments dealt with individual service modules in very detailed matters and some comments were on a more general level describing the feelings from the trip. The information was then very diversified and some of the suggestions were rather easy to apply in the service modules. Some also commented on the infrastructure and the service system. Naturally, these comments may be a bit more difficult to apply in practice (if they require large investments). It was positive to discover that the information obtained by the questionnaires was so rich.

The interviews at the end of the trip supported and complemented the feedback that was given in the questionnaires. The interview with the tour operator representatives also revealed that they see that there might be a market for this kind of product. They also gave suggestions even for how (i.e. which service modules they prefer) and marketing the product.

When comparing my personal experiences and observations to the test customer experiences revealed in feedback forms and interviews, it was interesting to find that the ideas and opinions of some service modules were very similar, but on the other hand there were also big differences regarding other services (e.g. saunas and spas) which most probably arose from the cultural differences.

6.2. Experiences of using ethnographic approaches in tourism product testing – interactivity and reporting

Several issues influence the interaction and reporting in participant observation. My role during the test trip was to be a participant observer taking part in all of the activities in the same way as other members of the test group. Hence, I had a role as a participant and an observer. I felt this occasionally to be a bit challenging. This was also a challenge for me during some services, especially during those that required “being in the moment”:

“I really felt relaxed and calm when I was lying on the rock with my eyes closed, at the same time feeling the soft breeze and sun on my face. I heard only the wind. During this exercise I felt very relaxed and was surprised that I did not think of anything else but that particular moment. Before starting this exercise I remember of wondering how I can continue to observe the group if I keep my eyes closed [that was instructed]. In that situation everyone seemed to focus on the relaxation exercise so I went along with a good conscience.” (FN).

Regarding the interaction with the Japanese test customers, the language was a challenge. Before the test trip we knew that some of the participants only speak English very well. However, it was a surprise that some of the Japanese attending the trip did not speak English at all. An interpreter was with the test group during the entire trip. The language issue also influenced the participant observation. In the beginning of the trip, I tried to converse with all the participants and observe their reactions. On the first day during
Table 3
Type of information gained for product development.

<table>
<thead>
<tr>
<th>Focus</th>
<th>Combined findings: type of information gained for product development</th>
<th>Information gained by participant observation</th>
<th>Information gained by feedback survey</th>
<th>Information gained by group interviews</th>
</tr>
</thead>
</table>
| Service modules | Comments and suggestions: content of diverse service modules:  
  • What is perceived as interesting in individual service modules  
  • What components and issues of the service module were good and what should be improved: e.g. duration, timetable, facilities  
  • Appeal of individual service modules:  
    • Interest in diverse service modules  
    • What is perceived as important in individual service modules  
    • Should the service module be included in the overall tourism package or not  
    • The service modules that divided opinions offered as an additional/optional service  
  • Quality level of service modules:  
    • Need to develop further some of the service modules (e.g. paying more attention to the blueprinting, internal testing of new service modules should be done with groups of the same size as the future target group or outsider test group)  
    • Timing for instructions  
    • Suggestions for new service modules:  
      • Evaluating the suitability of the new ideas for the basis of new service modules | • Functionality of individual service modules.  
• Detailed information and suggestions related to the facilities, smoothness of the service and guidance.  
• The best and the most appealing activities during the trip were activities that were connected to nature and the forest (e.g. hiking, kayaking and guided tours including “silent walks” and “nature as an energizer”).  
• Strong emotions were evident during some of the service modules.  
• Some of the activities and service modules were more ‘ready’ than others (e.g. keeping to timetable, guidance).  
• Some of the services were a bit ‘unprofessional’.  
• The guidance, instructions and information related to services came up repeatedly. In some services the instructions were seen as being a bit difficult to understand and also the timing of the instructions was seen as problematic.  
• Suggestions for new service modules that could replace the most uninteresting ones. Many of these suggestions or requests were related to having more activities related to Finnish everyday life. | • Information at a general level (e.g. whether the service was appealing or not) to very detailed suggestions (e.g. how a particular service module could be improved).  
• Differences in the emphasis of the experienced components of diverse service modules  
• The activities connected to nature and the forest are also the most appealing for the customers.  
• Some service modules divided opinions quite drastically. | • Elements that made certain service modules the best/most memorable or the worst.  
• The service modules that were felt to be the best and the most memorable were brought up.  
• The worst service modules were listed.  
• Suggestions for removing the worst modules from the final product. |
| Whole tourism product | Comments and suggestions: content of the whole tourism product:  
  • It is important to set a reasonable number of activities per day and also give free time in addition to the guided activities.  
  • The whole programme was planned so that each day had some kind of theme  
  • The tour guide needs to be firm in guiding the group and keeping up the schedule  
  • There needs to be better coordination related to the overall trip, e.g. what kind of food is served in each area/place | • The timetable of the trip was felt to be very tight and full. The timetable was not kept very well and all the days became very long.  
• There could be more coordination when the overall product is planned. For instance the food was rather similar in many places and many of the Japanese mentioned this during the trip.  
• The theme of the whole trip need to describe the content of the trip timetable.  
• The tight timetable and the fact that timetables weren’t kept felt rather exhausting by the test customers.  
• Each of the days could have a clearer theme and it could be better stated in the programme, e.g. ‘forest experiences in nature’ and ‘delicacies and handicrafts from materials from nature’.  
• The food was felt to be good even though the customers felt that there were quite a lot similar kinds of food during the whole trip (even if the service providers did not necessarily feel the food to be similar the Japanese test customers thought so, e.g. serving meat in different forms).  
• The full timetable and not being on time.  
• It was stated that keeping up the timetable is not a problem for Japanese but they want to have exact information on how much time they have in each place and for each activity. | • The worst experiences were dealt with on a general level when the best and the worst experiences were discussed.  
• The representative of the tour operators commented on the service modules they found the most ready for the markets. | |
| Information | Request for additional information:  
  • More detailed information about the service modules, places visited and routes taken  
  • Information about what should be brought for the trip  
  • Japanese customers expect very detailed information. They were also very interested in the everyday life of Finnish people (food, accommodation etc.).  
  • Expectations for much more detailed information that was provided.  
  • Preference of having a detailed map from each day including the places visited and the routes taken as well | • Need for additional information came up.  
• A detailed list that included the things that the customer should bring with them when they come was requested. They commented | | |
On the other hand these people couldn’t speak English not speaking English. At the beginning of the trip I was afraid that I the guests in English, but also using non-verbal language with the ones also speak English: getting more familiar with the people in the group, I found the ‘wouldn’t be with the same people all the time. Despite my attempts I

happy and excited when I welcomed them in Japanese.

project and the tour guide]. Some of the customers even hugged me away when the Japanese came to meet us [the people involved in the

assumptions that the Japanese would be very formal and reserved fell

richer descriptions were given as the English vocabulary did not

British regulations (in Finland). In addition

Table 3 (continued)

<table>
<thead>
<tr>
<th>Focus</th>
<th>Combined findings: type of information gained for product development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giving updated information in changing situations</td>
<td>Expectations for more information from the guide in changing situations.</td>
</tr>
<tr>
<td>Giving updated information in changing situations</td>
<td>as more detailed information about the places visited or the activities attended.</td>
</tr>
<tr>
<td>Giving clear themes to the trip and each day of the trip.</td>
<td>Expectations to get a list of things that they should bring for the trip.</td>
</tr>
<tr>
<td>Giving clear themes to the trip and each day of the trip.</td>
<td>Hoped to get updated information about the changes in the programme (if there is some) and how that will affect forthcoming activities.</td>
</tr>
<tr>
<td>Giving clear themes to the trip and each day of the trip.</td>
<td>that the list did not include e.g. a toothbrush and they expected that it would be provided with the accommodation (in Japan there are toothbrush in the hotel rooms).</td>
</tr>
</tbody>
</table>

a landscape spa testing “I tried to choose places in a way that I wouldn’t be with the same people all the time. Despite my attempts I still ‘missed’ a few members of the group [during the service testing]. On the other hand these people couldn’t speak English.” (FN). After getting more familiar with the people in the group, I found the people who were more active in giving their opinions and could also speak English: “It was nice to notice that I could converse with the guests in English, but also using non-verbal language with the ones not speaking English. At the beginning of the trip I was afraid that I wouldn’t be able to get anything out of them without an interpreter.” (FN). In addition “It was interesting to notice that the more time I spent with this group, the more I can understand about the topics they are discussing [in Japanese] even though I don’t understand the language”. (FN).

Due to the fact that some of the Japanese could not speak any English, it was good that the feedback forms were all translated into Japanese and the test customers could give their comments and feedback in their native language. I think that more detailed and richer descriptions were given as the English vocabulary did not limit their expression. The interviews were conducted in two languages. First, I interviewed the representatives of the tour operators in English. The interpreter was present in the group interview with the Japanese women. I conducted the interview mainly in English as both of the interviewees could speak English, but the Japanese asked the interpreter to translate some issues straight from Japanese to English/Finnish in some cases.

Before the test trip, I needed to pay attention to my pre-assumptions about Japanese people and Japanese culture. Before the participant observation, I tried to form a pre-understanding and familiarise myself with Japanese culture and people. To do this I took part in some training days that dealt with Japanese culture, language and habits. Based on these training days and the written material about Japanese expectations, I formed certain pre-assumptions about Japanese customers. However, when the test group arrived, some of my assumptions proved to be wrong: “My assumptions that the Japanese would be very formal and reserved fell away when the Japanese came to meet us [the people involved in the project and the tour guide]. Some of the customers even hugged me when they came and introduced themselves. They seemed to be very happy and excited when I welcomed them in Japanese.” (FN). I was also a bit afraid that the Japanese would not necessarily provide clear negative feedback out of politeness. Luckily, my fears in this respect proved to be wrong as the test customers stated very clearly in the feedback forms what they liked and what they did not like. They also gave critical feedback during the activities and interviews.

When I was attending the different activities during the trip, I had a lot informal discussions with the test customers about our experiences and feelings, memories that arose in some situations and also the functionality of some of the services. During these discussions, the test customers either treated me as another customer or a person that was organising the trip (even though at the beginning of the trip I tried to make clear that I was just one extra person testing the trip and doing more detailed evaluations at the same time). At the beginning of the trip, I felt a bit of an outsider among the other test customers. However, I think that because of the shared experiences during the trip I quickly “started to feel more and more as a part of the group. The test customers started to include me and they asked me questions about my family and so on.” (FN). On the other hand, the representative of the tour operator came to me a few times and discussed something that should be improved (e.g. keeping to the timetable) that was not really part of my responsibility. This raised some contradictory feelings and sometimes I had some difficulty not to interfere if something was not going well: “It bothered me that no-one really seemed to guide the guests to come or go to the right places. Everyone were often scattered around and this was one of the reason why we could not keep to the timetable. I didn’t do anything to improve the situation as I wanted to have as realistic a picture as possible about the whole tourism product and its functionality. My role is to be a participant observer and it is not my job to interfere with the guidance or other activities.” (FN). During the trip, there was quite many situations where I observed that the other test customers did not know e.g. what to do or how much time they had. These same issues and situations also came up in the feedback forms and interviews.

As the test trip was very intensive with multiple activities and services each day, making the notes and reporting was sometimes challenging. The days started at 8 am and lasted until 11 pm, which was very tiring: “Being in the sauna was so good after long days and I decided that instead of having a palju [hot water barrel for bathing] I
will go back to my room to write my notes so that I wouldn’t fall asleep when I’m writing." (FN). I wrote some notes during our transportation but I ended up doing most of the reporting after the day or early in morning. If I didn’t have a lot of time during the transportation, I used pen and paper to write down some bullet points about situations and observations. I also took a lot of pictures of various situations and the pictures helped me to remember things that I wanted to report. All the test customers were very active in filling in the feedback forms. Many of the respondents wrote long descriptions of their experiences of each day. I didn’t look at the responses during the trip so that they would not influence my notes. Having this large amount of customer feedback information proved highly valuable when the entire trip was reported.

All the data acquisition methods yielded valuable information about the product tested. In many cases, the data sets complemented each other. However, there were some situations where, according to my observations, everything did not go as was planned and for instance the service process did not go smoothly. These same situations did not necessarily come up in the feedback forms at all. Perhaps these things were not evident for the customer because they did not know how everything was planned to have gone or go, and I knew how everything should have gone. On the other hand, the test customers highlighted some features of particular services that I did not consider or notice at all.

7. Conclusion

7.1. Theoretical and methodological contribution

The findings show that an ethnographic approach can be applied and is useful in the product testing phase of NSD. The combination of three data sets, participant observation, feedback surveys and group interviews, provided rich and versatile data sets that complemented each other well. This kind of approach makes it possible to involve customers in the development process quite intensively. In participant observation, customer are mainly being as a passive “resource” of observation (Edvardsson et al., 2012). However, in this case, there was also some interaction between the researcher and test customers in the form of informal discussions. Observations also revealed how the test customers interacted with each other, with the service providers and in different service environments. It was also possible to observe the feelings and emotions of the customers and reflect on those they gave in the feedback for various activities. Hence, the observation gave additional information about the backgrounds and reasons that customers had for certain kinds of comments and evaluations. In addition, the test customers could give their comments and feedback on a daily basis by filling in the feedback form, and some of them also by taking part in the interviews. I agree with Arnould and Price (1993) and Arnould and Wallendorf (1993) that each data set can be criticised but together they bring together a holistic view of the test trip.

The research subjects in ethnographic research are traditionally studied in their authentic environments or situations (e.g. Fetteman, 2010). The role of the subjects being researched in this study differs from the traditional idea of subjects studied ethnographically because the participants knew that they were test customers. In addition, the customers were very much involved in the development process as they invested their own resources in order to participate in the testing (they paid for their own trip to the destination). Hence the participants had an active role in the NSD process.

The information gathered by using an ethnographic approach in product testing phases was very rich. The information obtained by participant observation, from questionnaires and in interviews was not just connected to the particular service modules and the overall tourism product tested. In addition, information and suggestions were related to service concept development, service process development and commercialisation. The test customers also contributed to the idea generation phase by suggesting additional service modules. The results support the studies that emphasise that it is useful to use multiple methods in data collection to gain a comprehensive picture and different perspectives on the phenomenon studied (e.g. Arnould & Price, 1993; Heikilä & Rynänen, 2014).

This study provides insights for product development from the different perspectives of Japanese test customers, tour operator representatives, and a participant observer. The information gained from the customers by using an ethnographic approach can be connected to the mode of the correspondent by Edvardsson et al. (2012) because the customers that were involved in the development process experienced real service use situations, including interactions and activities in the service process. The participants also existed in the real service context because the testing took place in the environment and region where the end product will be realised. This enables the customers to give information that is use-related and connected to important value drivers (Edvardsson et al., 2012). Edvardsson et al. (2012) have included three different methods for the “correspondent” mode, namely empathic design, the lead-user method, and the CUDIT experiments. According to Edvardsson et al. (2012) empathic design is used in NSD contexts to collect ideas for new and existing services and to examine how customers interact. They continue that in this method the users are seen as a passive resource for observation and hence the level of interaction is low. In the lead-user-method the customer is involved in a development team making the customer an active participant in the NSD process (Edvardsson et al., 2012). The lead-user-method aims to create novel service solutions, which is also the case when the CUDIT experiments are used (Edvardsson et al., 2012). Edvardsson et al. (2012) see that these methods are especially useful in the early stages of NSD and the methods are used to capture information in situations where and when the customers are in the value creation process and experiencing value.

In this case the ethnographic approach is applied to get information from situations where customers are taking part in service processes and experiencing value. However, in this case the focus of the study is not the early stages of NSD but rather on acquiring information from the external product testing phase. The results show that the information gained by an ethnographic approach does not just benefit this phase of development, but also the idea generation phase and later phases of NSD, such as commercialisation. The ethnographic approach also contains similar data collection approaches than e.g. empathic design based on observing user behaviour and interaction within their contexts (Edvardsson et al., 2012). The ethnographic approach also includes observation, but in this case the form of the observation, being participant observation, brings more interaction to the data collection process.

An ethnographic approach, and especially participant observation, enables service providers to get information about the emotions of customers. This is especially important when experiential services that are connected to emotions are being developed. Usually service development focuses just on the usability or functionality of the services and service encounters. Studied and developed service encounters in many service sectors are rather brief (Börner, 1990). As a service, a tourism product differs from many other services because the duration of the service experience is longer, as the experience of the overall tourism product comes from a set of service modules and encounters. Valuable information gained by using participant observation, such as information about emotions and situations and products that raise these emotions,
would be missed if the data in this case were collected just by using feedback questionnaires and interviews. In this case the strong emotional experiences were gained mostly during service modules that were realised in natural environments and were guided in emotional experiences were gained mostly during service modules feedback questionnaires and interviews. In this case the strong would be missed if the data in this case were collected just by using

This study has several managerial implications. The service providers developing the service modules and the overall package receive very practical and detailed information for product development purposes. The information gathered helps them to develop their services for Japanese target groups, but equally many of the detailed suggestions about single service modules help them to develop the services in general and improve overall quality. As the data showed, some service modules were not seen as being very appealing. These modules should automatically be left outside the overall package and the developers should focus on those activities that were felt to lead to the most positive experiences. The service providers need to facilitate those service modules that can lead to strong positive emotions. As this study showed, the guided activities in a natural environment were the ones that brought the most positive emotional experiences. Hence, attention should be paid to the knowhow of the guides as being facilitators of the emotional experiences concerned.

Some of the service modules divided opinions quite drastically, and in this case one option could be that these service modules could be offered as additional/optional services. Some of the activities and service modules were also more ready than others. Hence some of the service modules need more development e.g. in their realisation (the blueprints need to be more carefully developed). In addition internal testing of these new service modules should be done with groups of same size as the future target group (or external test group). It was evident that the activities in some modules took longer than expected because the service providers did not evaluate the time needed correctly.

In the marketing, the starting point in Japanese markets should be increasing the overall visibility and awareness of Finland. This should be done together with the Finnish Tourist Board because the theme of forest-based wellbeing fits well under one of the main marketing themes for Finland, ‘Silence, please’ (FTB, 2014b).

Several issues came up during the external testing connected to the data collection. These issues related to product testing on-site and some lessons learned and suggestions are listed in Table 4.

### Table 4

<table>
<thead>
<tr>
<th>Issues</th>
<th>Lessons learnt</th>
<th>Possible interventions during the trip</th>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role as a participant and observer</td>
<td>One cannot be in both roles all the time. Need to identify the situations when to be a participant and when an observer.</td>
<td>Realisation that in some cases it is not possible to have both roles at the same time. Be open to change roles in different situations. If you don’t know the language, it is also possible to utilise other members of the test group as interpreters when the interpreter is not close by.</td>
<td>Try to think about possible situations beforehand and make a strategy how to deal the different situations. Preferably learn the language needed. However, it needs to be realised that it is not possible in every case (e.g. depending the resources allocated for development activities).</td>
</tr>
<tr>
<td>Language</td>
<td>Language can be a challenge when particular target groups are investigated.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pre-assumptions</td>
<td>It is important to have some information about the target group and their culture beforehand.</td>
<td>Be open to change your assumptions during the process.</td>
<td>Try to learn as much as possible about the target group from different sources.</td>
</tr>
<tr>
<td>Difficulty to interfere</td>
<td>There are situations where it is very difficult not to interfere.</td>
<td>Keep in mind your role in the process (naturally it is important to take action if something may result in a dangerous situation).</td>
<td>Make clear to yourself and others what your role is during the testing.</td>
</tr>
<tr>
<td>Making notes and reporting</td>
<td>It is not possible to make notes in every situation, but write the notes as soon as possible.</td>
<td>Writing down bullet points and taking a lot of pictures/filming certain situations helps to remember the situations when you are writing the final notes.</td>
<td>Make plans for reporting before the trip and try to allocate enough time for reporting. However, be prepared to change the original plans.</td>
</tr>
<tr>
<td>Data acquiring methods: information gained</td>
<td>The collected data sets may either complement each other or they may be very different. This is an important finding and supports that using different data sets instead of one, gives more profound information.</td>
<td></td>
<td>Try to utilise all the data sets and analyse the reasons for possible differences.</td>
</tr>
</tbody>
</table>
These issues and suggestions may help if a similar approach is used in the product testing phase for other NSD cases.

7.3. Limitations and future research directions

This study also has its limitations. The usability of an ethnographic approach is tested only in one case. In the future, it would be interesting to get experiences from other cases. In this case, convenience sampling was used to select the participants. Hence, the results may be somewhat different if other test groups were involved. It also needs to be acknowledged that there may have been a preferential bias among the participants as their expenses for this trip were partly covered. However, the aim of this study was not to make generalisations from the content of the results but to test how the ethnographic approach suits the external testing phase of NSD.

The target group, of Japanese tourists, was rather challenging due to the cultural differences and the language. As a participant observer, I could not speak Japanese and did not necessarily understand everything that was discussed. In addition, not all the Japanese spoke English. In these cases, I needed to rely on the information that was given by the interpreter. The translation process of the data may have also had some influence on the data itself. Some measures were taken to try to keep the data as original as possible. The interpretation and the translation of the data were discussed with the interpreter. The interpreter was in charge of translating the questionnaire responses into Finnish. The same interpreter also participated in all the activities during the trip and hence she knew the contexts the responses referred to. In addition, the same interpreter was present during the interviews when the test customers talked about the trip and in this way some possibly unclear issues could be clarified from the participants. The reporting of the participant experiences was made in Finnish and the results were translated by the author. In addition, the translated citations were checked by the colleagues of the author and a professional interpreter. However, multiple cross-checking of all the written material was not carried out.

Future research should focus on examining the experiences of also using an ethnographic approach in other NSD cases in tourism. Because using this approach in NSD is new it would also be beneficial to engage in a deeper analysis of differences, similarities, and the pros and cons of customer involvement methods especially focussing on experiential services.

References


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Article 2

DEVELOPING NATURE-BASED TOURISM PRODUCTS WITH CUSTOMERS BY UTILIZING THE DELPHI METHOD


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Developing nature-based tourism products with customers by utilising the Delphi method

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1. Introduction

Previous studies have identified several benefits of customer involvement in new service development (NSD) for companies including enhanced competitive advantage, boosted public relations, understanding of customer needs, enhanced development of customer relationships, reduced market failures, accelerated NSD processes and higher new service acceptance rates (e.g. Alam, 2002; Enkel, Kausch, & Gassmann, 2005; Griffin & Page, 1996; Gruner & Homburg, 2000; Lagrosen, 2005; Magnusson, Matthing, & Kristensson, 2003; Matthing, Sanden, & Edvardsson, 2004; Olson, Walker, & Ruekert, 1995; Sandberg, 2007; von Hippel, 2001). It is also argued that customer involvement is especially useful in the front-end stages of the innovation process (idea generation, idea screening and concept development stages of NSD) because these stages are the most information intensive (Alam, 2002, 2006; Gruner & Homburg, 2000; Zahay, Griffin, & Fredricks, 2004). However, previous studies have shown that customers are usually involved in the later stages of the innovation process for instance when testing a nearly finished product for sale and marketing (Prahalad & Santos, 2009).

Depending on the level of interaction in the NSD process a customer may play an active or passive role (Hjalager & Nordin, 2011). The information customers can contribute also depends on the context and situation (Edvardsson, Kristensson, Magnusson, & Sundström, 2012). Edvardsson et al. (2012) use two different dimensions to elaborate four different service-related customer conditions, namely, the use situation and the resource context. According to them a customer may provide information either inside (in situ) or outside the use situation (ex situ), and all situations happen either in-context or ex-context. They define a context as a resource constellation available to customers in use situations. Ex-context means that the information can be gained from a person who does not have a direct experience from an actual context (Edvardsson et al., 2012). Based on these Edvardsson et al. (2012) developed four ideal types of customers as a source of information, namely The correspondent (has experience in a real service context and situation), The effective practitioner (has experience in a service context, not connected to real-life situation), The tester (has learned service context from the outside, testing simulated real-life situation) and The dreamer (has not been a part of real-life value-creating situation, learned the context from outside). Hence the informants with different knowledge and information about the context and situation may provide different kinds of information for NSD purposes. The informant may also have a different role in diverse NSD phases.

Hjalager and Nordin (2011) state that in the tourism industry there is a need to focus on topics related to user-driven innovation practices and methods. Although several studies have discussed diverse methods that are seen as being suitable for acquiring customer information (e.g. Alam, 2002; Lagrosen, 2005; von Hippel, 1986), there are only a few studies that focus on development and assessment of methods for involving customers (Edvardsson et al., 2012). Additionally, only a limited amount of information is available about the methods of how customer insight is actually acquired in real cases of service development praxis (Nijssen & Lieshout, 1995, cited in von Koskull & Fougrére, 2011), especially in a tourism and hospitality context. One exception is a study by Kompula and Lasiliva (2014) in which they evaluate actual service development cases from the tourism industry by comparing the applicability of different customer involvement methods. Edvardsson et al. (2012) have reviewed and categorised methods used in customer
involvement in NSD, but most of the studies they use as examples are from technology and manufacturing industries. 

To the author’s knowledge there are no studies that have examined or applied a Delphi method in a new service development context in hospitality and tourism. The Delphi method is usually used when the aim is to collect subjective judgments on issues or problems for which no previously researched or documented information is available (Hsu & Sandford, 2010). Hence it can be assumed that the method would suit the idea generation phase of NSD well, where the goal is to get new ideas as a basis for the service development.

The aim of this study is to assess the suitability and opportunities provide by the Delphi method in the tourism sector by examining the applicability of the method in data collection and customer involvement for different purposes in NSD. The applicability and usefulness are analysed by using several criteria adapted from previous studies: mode of consumer information (Edvardsson et al., 2012), managerial criteria (Kompulla & Lassila, 2014), and purpose, stage, intensity, and mode of involvement (Alam, 2002). In addition emphasis is placed on evaluating what kind of information is gained through the process. The information gained and the Delphi process itself are evaluated by using the critical issues of Delphi and these are discussed in an NSD context.

This study is a part of a wider tourism development project aiming to develop nature tourism products for a hiking area. The paper describes the overall NSD case, but it concentrates on examining the first phases of an NSD process – idea generation and evaluation – in more detail. The study aims to make a contribution to the tourism management literature providing an empirical example of how consumers are involved in NSD in the tourism industry. Applying the idea of Edvardsson et al. (2012) in this study the context refers to the destination (hiking area) and the situation to the consumption/development process of nature tourism.

The paper is structured as follows: first, the theoretical background of the Delphi method and its usage in tourism and management studies are presented. Thereafter a description of the case is provided followed by the report of the data and findings. Finally, the findings and suitability of the method are discussed, and theoretical and managerial implications are described.

2. Delphi in tourism marketing and management studies

2.1. Characteristics of Delphi

Delphi is a method that is used in exploratory qualitative research and is utilised for soliciting opinions from experts about novel ideas or complex problems by conducting several questionnaires and controlled feedback (Day & Bobeva, 2005; Donohoe & Needham, 2009; von Bergner & Lohmann, 2006). The method was first developed in 1948 for military intelligence activity, later to be deployed for development by the Rand Corporation in a period from 1950 to 1963 (Donohoe & Needham, 2009; Helmer, 1966; Hsu & Sandford, 2007). Delphi studies became more popular in the mid-1960s for forecasting purposes (Hsu & Sandford, 2010). Currently the Delphi is regarded as a legitimate methodology, which earlier was questioned in terms of precision and accuracy, but today the discourse has shifted to its methodological application and refinement (Donohoe & Needham, 2009). According to Gupta and Clarke (1996) the number of Delphi studies peaked starting from the middle of the 1980s and it has sustained its position from the 1970s onwards.

Traditionally the Delphi method entails interactive and systematic forecasting relying on a panel of experts and their opinions, but it has also been used in planning, issue identification/prioritisation and framework/strategy development (Day & Bobeva, 2005). In the words of Gupta and Clarke (1996, 185) the method is “a qualitative, long-range forecasting technique, that elicits, refines, and draws upon the collective opinion and expertise of a panel of experts”. Miller (2006) describes the difference between the Delphi technique and a common survey by saying that the Delphi technique aims to address “what could/should be” and the common survey tries to identify “what is” (see also Hsu & Sandford, 2010). The Delphi technique can be utilised for achieving several different goals, including determining and developing possible alternatives, exploring or exposing assumptions that lead to different judgements, generating consensus, and educating the respondents (Hsu & Sandford, 2010).

As a Delphi study does not necessarily aim to gain a consensus, different applications of the Delphi method are used including e.g. a Classical Delphi, Modified Delphi, Decision Delphi and Policy Delphi (Keeney, 2008; Keeney, Hasson, & McKenna, 2011). Keeney (2008) lists different types of Delphi and their main characteristics. This study can be categorised as a Decision Delphi (Keeney, 2009; Keeney et al., 2011) as the aim is to gain information to support decisions related to new service development (finding new service ideas, evaluating and selecting potential service/product ideas to be developed further) instead of gaining consensus on certain issue. The Decision Delphi usually includes similar process as a Classical Delphi, including an open first round that facilitates idea generation (Keeney, 2008; Keeney et al., 2011). In this study the Delphi technique is seen as being positioned within an interpretative paradigm as it is viewed and qualitative and subjective in nature (e.g. Fitzsimmons & Fitzsimmons, 2001; Rauch, 1979; Turoff, 1975). According to Engles and Kennedy (2007) this paradigm fits the Decision Delphi well as its goals are to examine different views and support decision-making by identifying all the possibilities available (see also Keeney et al., 2011).

The main attributes of the Delphi are that it is an anonymous, structured, repetitive, iterative and reflexive process (Day & Bobeva, 2005; Donohoe & Needham, 2009; Hsu & Sandford, 2007; Jung-Enreg, Pandza, Armbruster, & Dreher, 2007; Pandza, 2008). These act as the basic principles of the method (Pandza, 2008).

Anonymity is seen as one of the primary characteristics of the Delphi method as it can reduce the effect of dominant individuals (Hsu & Sandford, 2007). The anonymity of the experts is maintained during the entire process (Donohoe & Needham, 2009). Confidentiality is usually facilitated by the geographical dispersion of the experts and also by using electronic communications (Day & Bobeva, 2005; Hsu & Sandford, 2007). The Delphi process is also iterative and reflexive and this is based on the number of rounds of questions applied in the study and the same experts are asked the same questions (Donohoe & Needham, 2009; Pandza, 2008). In other words, the method includes an iterative process which makes it possible to ask amplying questions related to the topics that come up during the previous rounds. It is also a structured process which means that the information flow is managed and coordinated by the researcher and hence there is no direct information flow among the experts (Donohoe & Needham, 2009; Pandza, 2008). The experts are also able to comment, and give explanations and opinions about the results from previous rounds making the process reflective (Donohoe & Needham, 2009; Pandza, 2008).

A Delphi study usually includes three key stages. Day and Bobeva (2005) distinguish exploration, distillation and utilisation, and Donohoe and Needham (2009) mention preparation, convergence and consensus. Many authors (e.g. Day & Bobeva, 2005; Donohoe & Needham, 2009; Miller, 2001) emphasise that in order to conduct a successful Delphi study the procedure needs to be sufficiently planned and executed. In the first stage the most important and critical part is selection of the participants because it is directly related to the quality of the results generated (Donohoe & Needham, 2009; Hsu & Sandford, 2007). Gupta and Clarke (1996, 186) refer to Gutierrez (1989) by stating that “Delphi’s goal is not to elicit a single answer or to arrive at a consensus, but simply to obtain as many high-quality responses and opinions as possible on a given issue(s) from a panel of experts to enhance decision making”. The overall results depend on the experts chosen for the panel. So in the first stage of the Delphi process it is important to define the sorts of “experts” whose opinions are desirable and set the selection criteria. All in all, the method brings forth future visions of those experts who are involved most actively in the panel and most actively give their opinions.
on the topic under examination. In this phase the research problem and statements need to be defined, as well as preparing the set of questionnaires and supporting letters/material (Day & Bobeva, 2005; Donohoe & Needham, 2009). The phase also includes a pilot study (Day & Bobeva, 2005) or a Delphi round one (Donohoe & Needham, 2009).

In the second phase the actual Delphi rounds are implemented (Day & Bobeva, 2005; Donohoe & Needham, 2009). The number of rounds can vary from two to ten (Lang, 1994). Each round needs to have an objective, around which the content of the survey must be built (Day & Bobeva, 2005). Rounds also include monitoring the attrition rate, analysing the questionnaire responses and comments and preparing a summary report (Day & Bobeva, 2005; Donohoe & Needham, 2009). In the third and final stages the analysis of the results and the final report are written. The stage also includes reflecting on the experiences gained from the Delphi process and applying the results and the experience in practice (Day & Bobeva, 2005).

2.2. Strengths and critical issues of Delphi

Numerous benefits are associated with the Delphi method. One big advantage of the Delphi technique is that it can be used to gather subjective judgements from panelists on issues that have not previously been researched or when there is no documented information available (Hsu & Sandford, 2010). The multiple rounds make it possible for the participants to reflect on their responses and also provide an opportunity to modify them (Hsu & Sandford, 2010). Innovative thinking is also encouraged, especially in the situations where the Delphi study attempts to forecast future possibilities (Hsu & Sandford, 2010). Other benefits mentioned are that the method is suited for forecasting uncertain factors, it’s anonymous, it’s dependant on expert judgement, it’s not limited by narrow expert definitions, it’s effective and efficient, it’s reliable and outcomes can be generalised, it’s non-linear by design, and it’s insightful (Donohoe & Needham, 2009).

The Delphi also has its limitations and there are critical issues. The Delphi has been criticised mainly related to five areas: the lack of universal guidelines, the size of the expert panel, implications due to the lack of anonymity, expert opinion, and level of consensus (Keeney et al., 2011). The lack of universal guidelines rises from the fact that Delphi has been applied in several studies and hence there are numerous variations e.g. in relating to its design and implementation. The lack of guidance in the Delphi process has influenced the technique’s scientific respectability (Keeney et al., 2011). However, there are some general rules which aim to add confidence including, for example, that the Delphi should have at least two rounds (Day & Bobeva, 2005). One critical aspect is that a Delphi study fails to gain consensus. However, as mentioned already in Section 2.1, not all Delphi studies aim to gain consensus. Nevertheless, the level of consensus is an area of criticism in many cases, for the acceptable level of consensus (Keeney et al., 2011).

There is no general agreement about the size of expert panel, and the suggestions for panel size differ from under 15 to thousands of participants (Keeney et al., 2011). Authors have discussed whether a large number of respondents enhance the reliability of the study and whether the results of small sample panels can be generalised or not (Cochran, 1983; Keeney et al., 2011). According to Turoff (2006) the focus should be on the varieties of experts in the panel instead of the number of panelists, as it is important that all the relevant perspectives are included. Because there is no general consensus about the sample size it is usually based on the goals of the study, design selected and resources that are available (Keeney et al., 2011).

The lack of anonymity may be considered one of the problems of the Delphi method. In addition, anonymity as such can also be seen as a weakness because it may cause non-disclosure, or may mean that panelists do not take responsibility for the results (Sackman, 1975; Weicher, 2007). Keeping the anonymity of the panelists during the process may be problematic depending how the Delphi study is managed. In many cases at least the researcher knows the panel members and their responses (Keeney et al., 2011). However, some online Delphi systems are already built in such a way that the researcher knows who the respondents are but (s)he cannot connect the responses to individual panelists.

The selection of the panelists is seen as being the most critical part of the Delphi study method (Donohoe & Needham, 2009; Hsu & Sandford, 2007; Keeney et al., 2011). The problem usually lies with the difficulty of defining who an expert is, how the panel members are selected and what the panel’s degree of expertise is (Keeney et al., 2011). The word “expert” is traditionally used when panel members are described in Delphi studies (Keeney et al., 2011). However, there have been a lot of discussions and debates whether the term is correct or whether there are some other terms for respondents e.g. such as advocate (Turoff, 1970) or informed individual/advocate (Goodman, 1987; McKenna, 1994).

The critique of selecting the experts highlights the loose application of the term, which may lead to include individuals that have knowledge about the issue, but cannot necessarily be viewed as being an expert (e.g. Bowling, 1997). To overcome this issue two approaches are commonly applied: self-assessment and selection criteria.

In addition to the above mentioned issues some other challenges have also been listed. According to Hsu and Sandford (2010) the method can be time-consuming and low response rates may jeopardise robust feedback. The process of editing and summarising feedback allows researchers to impose their own views, which may have an influence on the participants’ responses in other rounds, and assumptions have to made that the Delphi participants’ knowledge and experiences are equivalent. Donohoe and Needham (2009) emphasise the careful planning of the Delphi process. According to them the researchers need to make sure that the panel expertise should be established with internal and/or external measures. The panel should also be purposefully well balanced at the outset and throughout the process, the questions should be tested and critical questionnaire return deadlines need to be set. It is important that these issues are already considered at the beginning of the research process.

2.3. Application of the Delphi method

The Delphi method has been used in different areas and disciplines including health, governmental, social, environmental and leisure studies, as well as business and marketing (Day & Bobeva, 2005; Donohoe & Needham, 2009; Gupta & Clarke, 1996) and also in some management studies (e.g. Scott, 2000). It has also been applied in various fields, for instance, in programme planning, policy determination, needs assessment, and resource utilisation (Gupta & Clarke, 1996; Hsu & Sandford, 2007). According to Pandza (2008) the Delphi has been used surprisingly little in management studies, even though it can be used to gain the knowledge and opinions of industry experts to identify problems, solutions and challenges that are economically relevant.

In tourism studies the Delphi has been used to find answers to a variety of tourism research problems. Donohoe and Needham (2009) introduce a listing of Delphi studies made in the tourism sector and they have identified the two most common application types, namely forecasting and issue identification and/or prioritisation, as well as concept or framework development. In the previously mentioned application type the Delphi studies aim to generate theory, assess the tourism market, achieve a consensus for future events or identify alternative future scenarios (e.g. Kaynak & Marandu, 2006; Solnet et al., 2013; von Bergner & Lohmann, 2014). In the latter the goal is usually in developing or refining a theory or conceptual model and its components (e.g. Choi...
Areas based on regional uniqueness and strengths as outdoor areas started a development project aiming to pro-

3. Developing nature tourism products for a hiking area — case description

An organisation responsible for Finnish protected and recreation areas started a development project aiming to profile Finnish Hiking Areas based on regional uniqueness and strengths as outdoor “activity parks”. The idea is that high-quality and diverse nature activ-
ties all year round in these activity parks. Ruunaa Hiking Area is one of these areas to be developed. In the last few years the visitor numbers in the hiking areas have decreased and the objective of the development work is to halt this negative trend. Hence the purpose of the development work is to create benefits for all stakeholders, e.g. by increasing the economic benefits in the area, attracting more visitors and new en-
trapreneurs to the area. This case presents one part of the work carried out in the Ruunaa area, namely how new nature tourism products and services are developed by involving current and potential customers of the Ruunaa Hiking Area.

The Ruunaa Hiking Area is located in eastern Finland close to the Russian border (Fig. 1). According to the Finnish Forest and Park Service (2013) the number of visitors to the Ruunaa Hiking Area came to 9,523 in 2012, which makes the Ruunaa Hiking Area the most pop-
ular hiking area in Finland (in Finland the protected and outdoor recre-
ation areas are divided into four categories namely national parks, hiking areas, nature reserves and other areas). The start for the whole process came from the organisation responsi-
ble for the management of the Ruunaa Hiking Area. In addition the busi-
nesses that are actively operating in the area were involved in the process by organising several discussion meetings. In one of the meetings the poss-
sibilities and examples of how customers can be involved in new service development was introduced by a researcher. This was seen as an appeal-
ing option for businesses and they found that this kind of information would be useful for them and support their product development pro-
cesses. Additionally important from the perspectives of business and the local area management organisation was the idea that the attractiveness of the Ruunaa area as a destination could be improved if new products and services are developed. In the discussions, potential themes for the products came up and the supposed themes emphasised forest-/nature-based wellbeing tourism products and adventure tourism products.

The actual NSD started with an open call for product developers that was launched on different e-channels such as Facebook, Twitter, mailing lists and websites. The whole development process is described in Fig. 2. In this study the focus is on the idea generation and idea testing phase of NSD, especially the part that is implemented by using the Delphi meth-

4. Data and findings

4.1. Designing the Delphi study

In designing a Delphi study various criteria should be considered. Ac-
cording to Day and Bobeva (2005) choices in the study design need to be made following seven criteria, each of which has variety choices. In this study the Delphi design choices are presented in Table 1.

The choices were made based on the goals of the study, in which the aim was to gain new ideas for NSD and test the collected ideas. The two Delphi rounds were built to support this goal: the first round was conducted to collect the ideas and the second round to test and evaluate the ideas. The other choices made are discussed in more detail below.

4.2. The panel of experts

The selection of panellists is a critical part of the Delphi method as the results depend on the people included in the panel. In this case study the aim is to develop new tourism products together with customers and hence the customers are seen as being the experts required for saying which kinds of products and services they are interested in. Thus the tra-

tional way of finding and choosing the experts for the study (e.g. selec-
tion criteria presented in a tourism context by Needham and de Loë, 2009) does not apply in this case. According to Needham and de Loë (1990, cited in Donohoe and Needham, 2009, p. 428) experts can be identified in terms of their closeness to the matter or a problem and they present this by using a continuum, where at one end lies subjective closeness and at the other objective closeness. The traditional definitions of expert and expertise include objective closeness and in the tourism context the experts are in this case tourism researchers. Subjective close-
ness is seen to characterize evolving definitions of expert and expertise, and the experts in this case are tourism stakeholders (e.g. tourists or host community members) who have deep experiential knowledge or hands-
on experience. Between objective and subjective closeness lies mandat-
ed closeness, where the experts are, for instance, tourism managers, con-
sultants and policy makers. It has been said that the personal relevance of a concept or service under development for a customer influences the level of involvement with an object, situation or action (Prebensen, Vittersø, & Dahl, 2013).

Four requirements for expertise have been outlined by Adler and Ziglio (1996), namely experience and knowledge with the issues under investigation, willingness and capacity to participate, sufficient time to participate and effective communication skills. In this case study the evolving definition of expert and expertise is applied and the tourists are seen as being experts that can bring new and innovative ideas to form the starting point for NSD. In addition, tourists can be seen as being the best evaluators of the attractiveness of the ideas. It is argued that tourists spend money, time and effort travelling during holidays be-
cause they want to (Prebensen et al., 2013) and hence people who are willing to invest their own resources on something that they like and desire are liable to engage in co-production (Etgar, 2008). In this study the tourists taking part in the development process are potential tourists to the area, as they are expected to have experience of nature-based tourism or activities and/or the area to be developed.

One problem for selecting the informants for a Delphi panel is that there is not necessarily a clear definable community that can be approached (Day & Bobeva, 2005). This is the case also in this study:
as there were no ready identified group of tourists that could be involved in the process, the Delphi panellists were recruited by organising an open call for product developers. It can be assumed that people that sign in to the process are committed to it as they are interested in the topic. It is also stated that people are more likely to become involved to the Delphi process if they feel that the outcome of the study benefits them (Hasson, Keeney, & McKenna, 2000, cited in Day & Bobeva, 2005, p. 109).

The call opened in the beginning of May 2013. In the call no detailed criteria for participating were set, but the respondents were supposed to be interested in developing nature tourism in the area: “…Now you have a chance to give ideas and suggestions about the kinds of services you wish to have in the region. We are looking for people that have already visited the area, but also people that have not been in the area before. If you are interested in developing nature tourism please sign in as a product developer here by 19th of May!” The call was launched by using a variety of electronic channels that were thought to be used by tourists interested in nature-based tourism (Facebook sites, national outdoor recreation websites, Twitter, mailing lists, as well as on websites belonging to a variety of organisations, DMOs and businesses) and by utilising a diverse range of stakeholders (the organisation responsible for the hiking area, a research institute, the regional destination marketing organisation and the business network involved in the process).

As the goal was to involve potential customers for nature-based tourism all the channels that were used to spread the open call were connected to nature-based tourism, outdoor recreation and/or to the area to be developed. Hence it can be supposed that the individuals signing in for the development process have experience or knowledge about the issues under investigation. The call was in Finnish and English.

By the 19th of May 103 people signed in as product developers. Two people signed in after that during the 20th of May and they were also included in the study. Only one person was English speaking (signed by using the English form) and the rest of the 104 were Finnish speaking. Two of the responses were missing contact information (e-mail addresses) so they were excluded from the study.

The form used for signing up included questions about previous visits to Ruunaa, possible hobbies that are connected to nature and also other activities related to nature and the outdoors and tourism. Also basic information and contact information were collected. Little over half of the respondents (52.4%) were female. The mean age of the respondents was 43 years. The biggest age group were 26 to 35-year-olds followed by 46 to 55-year-olds. Most of the respondents had visited the Ruunaa area before and 51% had visited the area at least four times. Only 20% of the respondents had not visited the area. Almost 90% of all respondents also had one or more hobbies that related to nature or the outdoors. Many of the respondents did outdoor or nature related activities outside their normal living environment and almost 60% travelled outside their living environment for the activities at least once a month. Over 60% of the respondents had also been on nature and outdoors related or activity holidays and over 85% said that nature and the outdoors were important for
them (for 64.8% it was very important) when they were selecting a travel destination. The profile of the respondents indicated that the people who signed up to be product developers were rather nature and outdoors oriented and interested in nature related activities and nature tourism. Many of them also had quite a lot experience of the hiking area for which the new products were being developed. Hence, the people enrolled on product development had the kind of expertise that was required.

4.3. Round 1: gathering and analysing the data

The first Delphi round is commonly referred as the “scoping round” and it is used to solicit information and reactions from invited participants (Day & Bobeva, 2005; Donohoe & Needham, 2009; Hus & Sandford, 2010). Traditionally the first Delphi round starts with open-ended questions (Hus & Sandford, 2010) and this was the case also in this study.

The Delphi study was implemented by organising two Delphi rounds using an online eDelphi tool (eDelfoi). It is a research programme based on the Delphi expert method and it was developed in cooperation with the Future Research Centre of the Turku School of Economics (Futunet, Metodix, & Internetix, 2010). The tool makes it possible to manage a panel by sending e-mails to panellists, using the platform as a survey tool (several different rounds and queries can be added), drawing summary reports, sharing material etc. All the panel participants remain anonymous and even the researcher cannot connect the responses to individual panellists. However, the researcher sees the list of panellists who answered the questions. This kind of procedure will guarantee the anonymity of the panellists. However, if the panellists had any questions about the panel they could contact the researcher by e-mail (e-mail address was in the e-mails the panellists received).

The objective of round one was to get new ideas for nature and outdoor tourism products for the Ruunaa Hiking Area. The questionnaire started with an introduction where the panellists were welcomed to develop new services and encouraged to share their opinions and interests. As the goal was to get ideas in the NSD idea generation phase, the panellists were asked to be creative and not just focus on the services that the area already has, but to freely describe what things and services they would like to experience. The questions for the first round were tested by sending them to five experts involved in tourism development and also to four individuals that could be regarded as potential panellists (people interested in nature and outdoor tourism) to check whether the questions were understandable. Based on the comments of the testers the questions were slightly modified. In the final version of the first round questionnaire new ideas for tourism product development were sought by asking the following two open-ended questions:

- What would your dream wellbeing, nature and outdoor related holiday in Ruunaa be like?
- What would be your dream adventure holiday in Ruunaa be like?

Both of the questions were followed by more detailed guidelines and sub-questions:

- What would the holiday include?
- What is the role of nature and the outdoors in this experience?
- What kinds of experiences would you like to have?
You can very freely describe the things you connect to your dream wellbeing/adventure holiday (e.g. activities you want to have, food, accommodation preferences, relaxation and people you are travelling with).

The invitation for the Delphi panel was sent via the eDelphi tool. The 103 potential panelists (the ones that signed up to be product developers) received an invitation to sign into the system and answer the questions. As Table 3 presents, altogether 60 panelists answered the questions (the response rate being 57.3%). The responses were rather diversified some of them written in story form and some of them just giving listings of services or things that they wanted the holiday to contain. As the data made it possible to draw different kinds of product descriptions a narrative analysis was used. In a narrative analysis a researcher organises and interprets the empirical data in such a way that the results construct one or more narratives, which are then discussed and interpreted (Eriksson & Kovalainen, 2008). In a narrative analysis the focus can be on meaning, structure, interactional context and/or performance (Elliot, 2005; Eriksson & Kovalainen, 2008; Riessman, 2002). In this study, as the aim was to form different product themes narratives based on the responses, the responses were analysed by focusing on the meaning. Examining the meaning means that the analysis focuses on the content of the narrative, namely on issues, themes and patterns (Eriksson & Kovalainen, 2008). The empirical data in this case was organised by using thematic analysis in which different themes of the responses from the first Delphi round were examined and based on the themes storylines were developed. Hence, in this case the narratives developed are constructed by the researcher and the construction of the narratives formed a central part of the analysis (see e.g. Eriksson & Kovalainen, 2008). Altogether nine thematic tourism products/product themes were formed based on the analysis (see Appendix 1 for examples):

1. Togetherness and activities for all the family
2. Enjoying the natural environment, relaxing and pampering
3. Independently outdoors/in the wild
4. Hiking, physical exercise and a dash of luxury
5. Strength from the natural environment
6. Towards adventures
7. Actively outdoors
8. Fishing at rapids
9. Speed and exciting situations.

In addition to the narrative analysis, a thematic analysis was carried out to collect comments and suggestions related to services and activities. The comments received were categorised into six themes, namely accommodation, activities, services, relaxation and pampering, food, and service environment. Under each theme the wishes of the customers were collected in relation to, for example, what kinds of accommodation they would prefer and what kinds of things they would connect with relaxation and pampering. The summary report for Round 1 included results from the thematic analysis and the narrative stories (thematic product descriptions).

4.4. Round 2: gathering and analysing the data

The objective of the second round was to evaluate the interest and appeal, and also get critical opinions regarding the thematic products/product themes created from the panelists’ responses in the first round by narrative analysis. The second round aimed to obtain concrete and detailed information about how interesting the developed service (theme) products are to the respondents, what kinds of feelings they invoke, what kinds of improvements are required and for whom the panel see the products and service modules being suitable for. This aimed to get answers and concrete solutions e.g. for product cards. It was thought that evaluating all nine products would be too much for the panelists, so they were asked to choose four thematic products they found the most interest in and describe:

- What kinds of feelings they get from the product?
- What is good?
- What is bad or what would they improve?
- Would they take part in this kind of trip?
- Who is the product suitable for?

If the respondents wanted they could evaluate more than just four products. Again the invitation was sent to the Delphi panelists via the eDelphi tool. Altogether 37 panelists answered the questions, which made the response rate 61.7% (see Table 2).

Based on the responses: the appeal and content of the products and product themes were evaluated. The data was analysed product by product by using thematic analysis (positive and critical comments e.g. related to the content of the product/product theme, service components of the product and price). The appeal was also measured by calculating the number of comments related to each product, and the products were ranked based on the number of the comments. It can be argued that the products commented on the most were seen as being the most appealing because the panelists were asked to comment on the products/product themes that they found the most interesting. The summary report was made based on the evaluations of individual products and an evaluation of the appeal of the products partly based on the number of comments.

5. Evaluating Delphi in an NSD context

The purpose of this paper is not to present the results of the Delphi study as such but evaluate the usability of the Delphi method in NSD in tourism. Hence the collected data was analysed so as to be able to describe and evaluate the method based on the set criteria (adapted from Alam, 2002; Edwardsen et al., 2012; Komppula & Lassila, 2014) and by considering the critical aspects of the Delphi technique. Table 3 presents the criteria used to evaluate the applicability of the Delphi method in tourism NSD. All of the criteria are discussed more detailed in following sections.

5.1. Purpose and stage of involvement

The purpose of the case study was to involve customers in the NSD process for nature-based tourism products and especially to collect and evaluate new ideas for the process. A thematic analysis was made in order to determine what kind of information was gained for NSD during the process. Six themes were identified, namely new product ideas, comments and suggestions related to the supply and facilities, comments and suggestions, and critical insights related to the thematic products, the appeal of the thematic products, potential target groups, and comments on the thematic product descriptions. In Appendix 2 examples of the information that was received for the development process by using the Delphi method are summarised and presented. The results show that the Delphi technique fitted well to the purpose of the paper because new product ideas were obtained and their appeal and suitability were evaluated, also from a critical perspective. In addition to the information that was expected, further information and suggestions were received related to other phases of NSD.

The conducted Delphi rounds brought useful information especially for the development of service concepts and service process. In addition some of the comments and suggestions were connected to the service.
As the method is suitable for gathering subjective judgements (Hsu & Sandфорd, 2010), the data analysis led to several different thematic products and hence the businesses had plenty of options and opportunities to choose the ones that could be developed further. Even if the main aim was to get new ideas for NSD processes and evaluate these ideas, information was also gained in relation to (current) supply and facilities, potential target groups, and the content of thematic product descriptions. In addition, the data provides information about customer needs and interests, target groups, and the content of thematic product descriptions. Hence, the critical discussion about what the level of consensus is, was not needed. The anonymity of the panellists is guaranteed in this study by using an online Delphi tool (eDelfoi) to manage the data collection and analysis. The online Delphi tool helps the researcher to manage the panellists and send the invitations for each round. The researcher who knows who the panellists are but (s)he cannot connect the individual responses to the panellists. In this case anonymity is not seen as a problem because the aim of the study is not to gain consensus but to get disclosure (see Sackman, 1975; Weicher, 2007).

The Delphi method, its characteristics and how the process is implemented in this case (all panellists being customers), do not support interaction between all the stakeholders involved in NSD. Nevertheless, its iterative nature makes it possible for the panellists to comment on the responses from other rounds. However, interaction between individual panellists or with service providers does not exist. In the process the researcher acts as mediator between the panellists and transforms the results into a form that businesses can use in their NSD processes. Additionally, the reporting and interpretation of the data are done by the researcher. However, the iterative process of the Delphi process makes it possible to circulate the responses and data analyses to the panellists and they can comment on the results and interpretations of the researcher. This adds to the reliability of the interpretations and enables the panellists to comment on and evaluate the summary of the others’ opinions and responses too.

In this study two Delphi rounds were used. The first round was used to collect new ideas for NSD and these ideas were then analysed and thematic products/product themes were formed by using narrative analysis. The narrative stories (product ideas) acted as basis for the second round in which the panellists were asked to evaluate the ideas and give both positive aspects and critical insights. The two rounds were seen as being efficient enough for the purpose of the study because detailed information was gained to support the decisions related to new service development for the service providers.

5.3. Strengths and weaknesses of data collection and analysis

One advantage of a Delphi study is that it provides more detailed information compared e.g. to a basic questionnaire, as it makes possible to ask the same respondents their opinions and evaluations of the results. During the Delphi rounds panellist also has the possibility to change their minds and gives alternative evaluations. This is not possible if regular survey procedures are applied. For example in this case, if a regular survey was carried out to collect the new product ideas, the service providers would not have received the evaluations of the ideas by the same respondents collected during the second round.

The data gained during the process in this study was mainly qualitative. This differs from many of the Delphi studies where the data gained from the second round forward usually contains quantitative information (e.g. von Bergner & Lohmann, 2014). In this study, ranking was also used to highlight the appeal of the thematic products. However, it was a conscious decision to ask open-ended questions in both of the rounds during the study to obtain the richest information possible in order to get new ideas and develop the content of the thematic products. The comments related to the products differed depending whether the product narrative represented the dream holiday of the respondent or not. Hence some of the respondents also brought forth very critical aspects regarding the thematic products/product themes.

The five main areas from which Delphi has been criticized are lack of universal guidelines, size of expert panel, implications of the lack of anonymity, expert opinion, and level of consensus (Keeney et al., 2011). This study does not discuss the selection of panellists on a general level, but it can be seen to fulfil one of the general criteria by conducting two Delphi rounds. As this study is categorised as a Decision Delphi study the aim was not to find one consensus (see e.g. Hsu & Sandford, 2010) but collect and evaluate new service ideas to support NSD decision processes. Hence, the critical discussion about what the level of consensus is, was not needed. The anonymity of the panellists is guaranteed in this study by using an online Delphi tool (eDelfoi) to manage the Delphi process. The online Delphi tool helps the researcher to manage the panellists and send the invitations for each round. The researcher knows who the panellists are but (s)he cannot connect the individual responses to the panellists. In this case anonymity is not seen as a problem because the aim of the study is not to gain consensus but to get disclosure (see Sackman, 1975; Weicher, 2007).

As it has been highlighted in several studies (Donohoe & Needham, 2009; Hsu & Sandford, 2007; Keeney et al., 2011) the selection of the panellists plays a central role in Delphi technique as the results of the study will be opinions of the participants. It is also noted that there is no single right way for selecting the panellists and several terms can be used to describe them. In this study the selection criteria for panellists were not very tight but the channels that were used to induce product developers were chosen in a way that they would reach people who had experience of the area and/or topic/context. The number of panellist was not decided beforehand because it was desirable to include all the interested customers and to involve them in the process to gain as many perspectives as possible and increase the chances of getting a heterogeneous panel (see Turoff, 2006). The level of the expertise of the panellists varied slightly as some of them had more experience of the area (visited it more often) and some of them had more experience of nature-based tourism and outdoor activities. This heterogeneity of the respondents may benefit the results as it can be expected that different opinions and ideas will emerge. Evaluating the expertise of the panellists by following the requirements set by Adler and Ziglio (1996) it can be argued that the panellist had experience and knowledge of the issues under examination. The panellists registered themselves voluntarily as product developers which indicate that the participants were willing, and had the time and capacity to participate in the process. However, during the selection process the communication skills of the panellist could not be evaluated.

The Delphi technique requires constant data analysis throughout the process. Hence the data analysis requires expertise and time from the researcher. Several Delphi rounds also produce a lot of data that needs to be carefully processed so that it enables the following rounds to be conducted and in the end the results should be presented in such a way that they contribute to the decision making processes.

5.4. Implementation in practice

As there are several issues that need to be considered when a Delphi study is conducted, the technique is labour intensive and it requires...
personnel/a researcher familiar with all the procedures needed. The costs of conducting a Delphi may be considered quite reasonable when online channels or tools are used to manage the process. However, multiple Delphi rounds make the process longer and require time from the researcher. The costs of implementing a Delphi study may then be higher. Because of these facts it might be that many tourism service providers do not have sufficient resources such as know-how and the time required to use the Delphi in their NSD.

5.5. Type of customer information—context and situation

The Delphi method fits partially with the framework of Edvardsson et al. (2012) as the method collects information that is in-context and in situ. In this mode a customer exists in a service use situation or intending to co-create value in order to fulfil a need—the customer being a correspondent (see Edvardsson et al., 2012). The Delphi method also has some similarities to the other method that Edvardsson et al. (2012) have categorised under the “correspondent” mode, including empathic design, the lead-user method and the CUDIT experiments. These methods have been used to gain new ideas and service solutions for new or existing services as in this study where Delphi is used to gather and evaluate new service ideas. The methods within this mode are primarily beneficial in the front-end phases of NSD (Edvardsson et al., 2012) and as this case proves the Delphi method can also be used efficiently to gather information for the purpose of finding new ideas e.g. for service concepts. The customers that are included in the methods used as examples are general users or lead users. The lead users are carefully selected individuals that identify the need and solutions in their natural context. Also in a Delphi study the selection process of the panelists plays a central role in order to implement a successful study.

In this case the actual and potential customers were the ones that were seen to have the best knowledge about what kinds of nature-based and outdoor tourism services they wanted to have in future. In order to further discover “fresh” ideas not limited by information about the current products and services provided in the area, potential customers to the area were also to be included to the panel. This differs a bit from the mode “correspondent” (Edvardsson et al., 2012), where the assumption is that the customers have experiences of the service context, as some of the panelists had not visited the Ruunaa Hiking Area before and did not have real experience of the resources available. However, the potential customers did have experience of the consumption of nature-based or outdoor tourism and nature related activities and hence they could be categorised as “Testers”. One method can then be categorised under different modes which was also noted by Edvardsson et al. (2012) when they said that the modes represent the ideal types of typical users.

The level of interactivity in the other studies categorised under the “correspondent” mode varies and e.g. there is relatively low interaction when empathic design is used (Edvardsson et al., 2012). On the other hand, the lead user method has quite a high degree of interaction which derives from the implementation of the study by involving the lead users in a development team (Edvardsson et al., 2012). This Delphi method differs from the latter mentioned method because of the anonymity criteria, which is also an advantage because the participants can freely express their opinions without being influenced by others (Donohoe & Needham, 2009; Hsu & Sandford, 2010).

6. Discussion and limitations

6.1. Theoretical and methodological contribution

This paper contributes to the tourism service marketing and management literature by evaluating the usability of the Delphi method in tourism NSD. The paper also makes a theoretical contribution to NSD literature by assessing the Delphi method as a customer involvement method. In addition the novelty of the paper comes from the practical example of developing nature-based tourism products in a customer oriented way by involving potential customers in the development process by utilising the Delphi technique. The results show that the Delphi method is suitable for involving customers in the front-end stages of the NSD process in the tourism and hospitality sectors because the conducted Delphi rounds provided a wealth of rich information especially for the idea generation and evaluation phases. This approach shows that it is valuable and important to pay attention to the opinions of potential tourism demand and not just focus on the existing information or opinions that are available from the demand and supply side.

In this study, the Delphi was implemented in order to develop services by involving the customers in the process. Customer ideas and opinions are used in new product and service development even though it has sometimes been found challenging e.g. by criticising that customers do not necessarily know what they want. However, it is noted that customers may have very different levels of experience of the issues that are being developed. For instance, Edvardsson et al. (2012) have categorised customers into three different groups based on their experience, namely very experienced, ordinary and greenhorns. In new service development it is essential to pay attention to the nature of the service that is being developed. The study by Edvardsson et al. (2012) was carried out in a technological services context, in which it can be assumed that technical experience and know-how plays a central role. However, when experiential services such as tourism are developed, the functional aspect of the service is naturally important, but not necessarily as important as experiential aspects of the service. Thus it can be argued that customers who have experience and knowledge of the theme/topic or have had experiences in the area in which the services are developed, are experts in that field because they well know what kinds of experiences they are looking for when travelling to the particular destination or taking a nature-based trip. This supports the statement of Donohoe and Needham (2009) who argued that the Delphi particularly suits tourism research where participants (tourism stakeholders) are increasingly key contributors to the research process and outcomes.

Several methods that are used to involve customers in NSD can be complex methods meaning that they are used to collect data but they provide only a little or no feedback to the customers involved (Edvardsson et al., 2012). Edvardsson et al. (2012) recommend using dialog based methods which also give information to the respondents and not just the service provider. The Delphi technique’s iterative nature makes it possible for customers to contribute to the process in several phases of NSD and also change and evolve their opinions and suggestions. As respondents are involved in the interpretation of the information it may help the service provider in prioritisation and taking actions (Edvardsson et al., 2012).

6.2. Managerial implications

This study started from a practical problem and hence it also has managerial implications. In this case-study the aim of conducting the Delphi study was to gain information to support decision making in relation to what kinds of nature-based tourism products should be developed. The goal was to increase the appeal of the Ruunaa Hiking area by adding new kinds of service offerings to the area. The businesses and the organisation responsible for the management of the area benefited from the study as they gained new ideas for their tourism products and services. However, the study did not focus just on collecting new ideas for NSD, but also circulated the ideas for the respondents to be evaluated. The information about the content of the potential new services and also the appeal of certain thematic products was then evaluated by the service providers in the area. The service providers used this information (see Appendix 2) in their NSD processes to
create more detailed service packages. The information gained also helped them to make decisions on what kinds of product themes seemed to be more interesting among customers and thus are worth developing.

As this was a starting point for the NSD processes, the development work is still ongoing. After choosing the most appealing thematic products (that included several service components) products under these themes were developed. After the development of the more detailed tourism packages and service modules these were first tested by using an electronic survey that was targeted for wider markets. The electronic questionnaire included three more detailed products/services developed by the businesses of the area. The whole process continued by following the description in Fig. 2.

In addition to the new service ideas the service providers gained comments and suggestions on how to develop and improve the facilities and other services in the area. The responses also included information about more general needs and motivations of the respondents and suggested about potential target groups. Some of the suggestions also gave comments and suggestions on how the product descriptions could be improved as well.

All the suggestions and ideas were evaluated by the service providers of the area and it was clear that not all the ideas may be realizable. Some of the ideas were very innovative and new but their actual application in practice would be difficult or may not be possible without major investments. However, many of the suggestions were possible to adapt as such or after small modifications by the service provider.

6.3. Limitations and future research directions

This paper has also its limitations as it presents only one case that has used the Delphi method in NSD. This also differs from other Delphi studies as the experts in this study are customers and not tourism researchers, representatives of destination marketing and management organisations or other groups that have previously been regarded as experts in tourism studies. As the aim was to develop new services for tourists by involving them in the process, it can be argued that the customers are the best experts capable of giving and evaluating new products and service ideas. Hence this study presents a Delphi study that uses experts that have subjective proximity to the matter under investigation (see Needham & de Loë, 1990). In this study the panelists were expected to have experience and knowledge about nature-based tourism or outdoor activities and/or about the area to be developed. Hence the panelists can be seen to represent a customer segment interested in these particular issues. It needs to be noted that customers having other interests may have given different suggestions and opinions. However, as the hiking area aims to attract nature-oriented people this target group was seen as being suitable for the development purposes.

There has also been some critique that certain Delphi studies have not been executed or reported properly (Donohoe & Needham, 2009). Hence the design choices, data collection and analysis process were described as transparent as possible in this study. There should be more of these kinds of case-studies so as to be able to gain a more comprehensive view of the suitability of the Delphi method in NSD processes.

In future NSD cases the Delphi panel could be formed from both tourists and from the service providers to get both of the views during the idea generation phase. This way the Delphi approach could be used throughout the whole development process, as in this case its usage was limited to the idea generation and evaluation phases. However, conducting the whole NSD process with Delphi may be challenging because multiple rounds during the development process are time consuming and the commitment of the panelists may not last till the end without motivating them well.

### Appendix 1. Examples from narrative analysis

**Narrative 1**

Hiking, physical exercise and a dash of luxury

Hiking and outdoor activities are a key part of my holiday. My holiday also includes pampering that may come about by various things. The natural environment plays an important role in the holiday, especially its pristine and calm quality. Travel companions on the holiday would be people with similar interests and the overall atmosphere on the holiday would emphasise living in the moment: friends, an open fire, guitar and singing, the gentle lapping of water, dusk, showers of cold as the sun sets, hot drinks from a woody cup, quiet, messy hair and a face without make-up, laughter and closeness, landscapes for the eyes to rest on.

I want to hike alone and the hiking is included in a scenic hotel with a sauna and a swimming pool. The hike starts from the hotel and is guided. The hike has to be challenging enough to make me feel like I have really achieved something but not so tough that it would be impossible or too draining. The weather should be nice enough that I can enjoy the hike and I also need the right equipment to make sure it is enjoyable.

The most extreme adventure comprises the most challenging and demanding physical exercise. There are various kinds of adventure packages suitable for different levels of fitness and ages. The natural environment offers excellent preconditions for adventures and recreation in the natural environment takes the centre stage. An adventure holiday particularly emphasises physical exercise. The scale and level of activities within the adventures varies greatly. The most extreme adventure comprises the most challenging and largest adventure track in Finland. The track is located among breath-taking scenery and it also crosses some rapids. This track would be for adults only and demanding enough for it to attract people even from abroad. In this adventure, you would also catch and prepare your own food in wild conditions. Everyone would catch and prepare your own food and prepare for it eating. It also includes survivor-type activities, which teach you how to survive in the wilderness with what the natural environment has to offer. These wilderness skills could also be offered on a smaller scale.

Other adventure activities would include for example white-water rafting, traditional white-water rafting, swimming, rock-climbing, bungee jumping, horseback-riding, quad bike riding, large carnivore spotting, night-time trekking, canoeing, white-water rafting in the rapids. A massage, outdoor hot tub and relaxing float in the rapids would also be luxurious. Good food also plays an important part. The food would be healthy, organic or local and it could be enjoyed in a tepee or by a campfire with people with similar interests. Local fish and game. It would be nice to spend time around a campfire and participate in accompanied singing sessions and possibly listen to stories. I would love to hear stories about local attractions and matters. It would be really nice to talk with local people.

**Narrative 2**

Towards adventures

This holiday is for having adventures according to one’s own fitness and skills. There are various kinds of adventure packages suitable for different levels of fitness and ages. The natural environment offers excellent preconditions for adventures and recreation in the natural environment takes the centre stage. An adventure holiday particularly emphasises physical exercise.

The scale and level of activities within the adventures varies greatly. The most extreme adventure comprises the most challenging and largest adventure track in Finland. The track is located among breath-taking scenery and it also crosses some rapids. This track would be for adults only and demanding enough for it to attract people even from abroad. In this adventure, you would also catch and prepare your own food in wild conditions. Everyone would catch and prepare for it eating. It also includes survivor-type activities, which teach you how to survive in the wilderness with what the natural environment has to offer. These wilderness skills could also be offered on a smaller scale.

Other adventure activities would include for example white-water rafting, traditional white-water rafting, swimming, rock-climbing, bungee jumping, horseback-riding, quad bike riding, large carnivore spotting, night-time trekking, canoeing in the rapids. A massage, outdoor hot tub and relaxing float in the rapids. Instead of white-water rafting in the rapids you could take a refreshing swim from where you could take a refreshing swim in the rapids. A massage, outdoor hot tub and relaxing float in the rapids would also be luxurious. Good food also plays an important part. The food would be healthy, organic or local and it could be enjoyed in a tepee or by a campfire with people with similar interests. Local fish and game. It would be nice to spend time around a campfire and participate in accompanied singing sessions and possibly listen to stories. I would love to hear stories about local attractions and matters. It would be really nice to talk with local people.

The most extreme adventure comprises the most challenging and largest adventure track in Finland. The track is located among breath-taking scenery and it also crosses some rapids. This track would be for adults only and demanding enough for it to attract people even from abroad. In this adventure, you would also catch and prepare your own food in wild conditions. Everyone would catch and prepare for it eating. It also includes survivor-type activities, which teach you how to survive in the wilderness with what the natural environment has to offer. These wilderness skills could also be offered on a smaller scale. Other adventure activities would include white-water rafting, traditional white-water rafting, swimming, rock-climbing, bungee jumping, horseback-riding, quad bike riding, large carnivore spotting, night-time trekking, canoeing in the rapids. A massage, outdoor hot tub and relaxing float in the rapids.
Appendix 2. Type of information gained for product development

<table>
<thead>
<tr>
<th>Type of information for product development</th>
<th>Information gained from Delphi</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New product ideas</strong></td>
<td></td>
</tr>
<tr>
<td>• Nine thematic products developed</td>
<td>- Appeal of the thematic products:</td>
</tr>
<tr>
<td>• Additional product and service ideas that were made after reading the thematic product narratives</td>
<td>• Some of the thematic products were more appealing than others → evaluations on which of the thematic products would be the most suitable for further development</td>
</tr>
<tr>
<td><strong>Round 1: The data received from the first round differed a lot. Some of the responses were written in story form and they included very fresh and new ideas about services that do not exist in the area at the moment. The other hand some panelists had just listed activities they want to do or facilities they expect to have. Different thematic products were formed based on a narrative analysis of the data. Two of these stories are presented in Appendix 1. Each of the thematic product formulates from different kinds of service modules (e.g. accommodation, activities and food).</strong></td>
<td><strong>Round 2: In the comments related to the thematic products, alternative forms or products were suggested. For instance shorter packages for certain target groups were suggested (including also an educational purpose): &quot;...In order to get more experienced hikers, it would be great if the offering included one day hiking trips that are made independently, but which would include food and transportation service.&quot; In addition the comments included ideas and suggestions for organising events related to the themes of the products.</strong></td>
</tr>
<tr>
<td><strong>Comments and suggestions related to the supply and facilities</strong></td>
<td><strong>Round 2: In the comments related to transportation and facilities they expect to have. Different thematic products were formed based on a narrative analysis of the data. Two of these stories are presented in Appendix 1. Each of the thematic product formulates from different kinds of service modules (e.g. accommodation, activities and food).</strong></td>
</tr>
<tr>
<td>• Comments were gained in relation to six themes: accommodation, activities, services, relaxation and pampering, food, and the service environment. The comments focused on describing the preferred services and facilities (e.g. accommodation), expected quality of services and activities, and content of the offering. For instance, issues related to the development of existing and potential activities were mentioned (e.g. Geocaching). Those panelists who were familiar with the services and facilities of the area, gave also comments and suggestions on how these could be improved or developed.</td>
<td><strong>Round 2: In the comments related to transportation and facilities they expect to have. Different thematic products were formed based on a narrative analysis of the data. Two of these stories are presented in Appendix 1. Each of the thematic product formulates from different kinds of service modules (e.g. accommodation, activities and food).</strong></td>
</tr>
<tr>
<td><strong>Comments and suggestions related to the thematic products:</strong></td>
<td><strong>Round 2: In the comments related to transportation and facilities they expect to have. Different thematic products were formed based on a narrative analysis of the data. Two of these stories are presented in Appendix 1. Each of the thematic product formulates from different kinds of service modules (e.g. accommodation, activities and food).</strong></td>
</tr>
<tr>
<td>• What was perceived as interesting in each product</td>
<td>• Comments on the contents of the descriptions:</td>
</tr>
<tr>
<td>• What components and issues of the product should be improved</td>
<td>• Suggestions for marketing</td>
</tr>
<tr>
<td>• Suggestions on how to realize some of the activities and services in practice</td>
<td>• Request for additional information</td>
</tr>
<tr>
<td><strong>Round 2: Comments focused on the content of the thematic products. The comments on the contents focused on evaluating the number of activities and service modules included in the product. It was mentioned that the product package should not include too many activities and e.g. in the thematic product of &quot;Actively outdoors&quot; it would be good to focus on one activity that would then have the main role and the other activities would have supporting roles. The feedback also included a lot of comments about what was good in each of the thematic products. These are the components that should be emphasised when the products are developed further on.</strong></td>
<td><strong>Round 2: In the comments related to transportation and facilities they expect to have. Different thematic products were formed based on a narrative analysis of the data. Two of these stories are presented in Appendix 1. Each of the thematic product formulates from different kinds of service modules (e.g. accommodation, activities and food).</strong></td>
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References


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CUSTOMER INVOLVEMENT IN A NEW SERVICE DEVELOPMENT PROCESS: DEVELOPING THE “FEELGOOD IN LAPLAND” TOURISM OFFERING


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Customer involvement in a new service development process: the case of “Feelgood in Lapland”

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Customer involvement in a new service development process: the case of “Feelgood in Lapland”

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ABSTRACT
The aim of this study is to examine the ability of a company to utilize customer involvement, benefits derived from it, and the challenges faced in the process of involving customers to participate in new service development (NSD) in different stages of the NSD process by adopting a case study approach. The findings show that a company gained several benefits by involving customers. The company also had the willingness to involve customers in NSD but diverse challenges and other operational development projects affected the realization. The study shows several practical implications that are related to customer involvement in diverse phases of NSD, bringing concrete benefits for a company. Nevertheless, cooperation with external research organizations is almost indispensable for small enterprises.

Introduction

Several authors have highlighted customer involvement and role of the customer in new service development (NSD) (Alam & Perry, 2002; Chan, Yim, & Lam, 2010; Hjalager & Nordin, 2011; Nicolajsen & Scupola, 2011; Prahalad & Ramaswamy, 2004; Sjödin & Kristensson, 2012). The benefits of customer involvement for businesses include developing the customer relationships, lower numbers of market failures and errors, as well as faster NSD processes and reduced times for launching new services (Alam & Perry, 2002; Gruner & Homburg, 2000; Matthing, Sandén, & Edvardsson, 2004). Even though customer involvement has been regarded as being important for successful product and service development (Alam, 2006; Magnusson, Matthing, & Kristensson, 2003), there have only been a few empirical studies related to the topic, e.g. concerning outcomes and effectiveness (Campbell & Cooper, 1999), how to engage customers with NSD (Kristensson, Matthing, & Johansson, 2008), and how customer involvement can enhance and contribute to NSD processes (Sigala, 2012b).

Most of the studies of customer involvement in NSD are made in a business-to-business context and focus on developing financial and technological services (Alam, 2006; Alam & Perry, 2002; Matthing et al., 2004). However, a few studies have also focused on examining customer involvement in the settings of experiential industries such as tourism and hospitality (Komppula & Lassila, 2014; Konu, 2015a, 2015b, 2015c; Sigala, 2012b; Sjödin & Kristensson, 2012). Hjalager and Nordin (2011) point out that future research should focus on user-driven innovation practices and methods in tourism.
The importance of involving customers throughout the NSD process has been highlighted, but recent studies focus mainly on one phase of the NSD process instead of involving customers in several phases during the process (Edvardsson, Kristensson, Magnusson, & Sundström, 2012; Kristensson, Gustafsson, & Archer, 2004; Sigala, 2012b). Sigala (2012a) notes that research has not been able to prove the benefits of customer involvement because most studies have focused on short-term and especially financial benefits, although the benefits of customer involvement are long term and are difficult to measure. Hence, there is a lack of research examining how customer involvement in various phases of the NSD process would work in real business contexts, and what the opportunities and challenges of this kind of approach would be from the company point of view. This paper aims to fill this research gap by presenting a case study extending throughout the development process of a new tourist service. The case company is a private hotel chain comprising thirteen hotels in Lapland, Finland. The aim of this paper is to examine: the ability of the company to utilize customer involvement, the benefits derived from the customer involvement in this case, and the challenges faced in the process of involving customers to participate in the NSD in different stages of the NSD process.

Literature review

Taking changes of customer lifestyles, increased use of social media and customers’ interest in and willingness to actively participate in service production into account, customer involvement, and the role of the customer have become even more important in NSD. The customer can be seen as a co-producer of the service and also as a co-creator of value (Grönroos, 2007; Lusch, Vargo, & O’Brien, 2007; Vargo & Lusch, 2004). Grönroos (2008) emphasizes that firms should gain a profound understanding of people’s everyday practices to be able to develop new services, and to do this firms need to develop customer–firm interactions that affect customers’ value-creating processes. Some authors (e.g. Binkhorst & Den Dekker, 2009) also acknowledge that product- and/or firm-centric innovations are already partly replaced by the co-creation of experiences that act as a basis for value. Customer involvement in service innovations has been defined as an interactive process including collaboration between a service provider and customers (current or potential) during the process of service development based on the identified latent needs of customers (Matthing et al., 2004).

Several NSD models are based on new product development processes including phases, such as strategic planning, idea generation, idea screening, business analysis, formation of cross-functional teams, service/product and process system design, personnel training, service/product testing and piloting, test marketing, and commercialization (Alam & Perry, 2002; Hart & Baker, 1994; Kingman-Brundage & Shostack, 1991; Nambisan, 2002), which are applied in diverse service settings. In the field of tourism, Konu, Tuohino, and Komppula (2010) introduced a descriptive model especially designed for NSD in tourism, based on concepts introduced by Edvardsson and Olsson (1996) and adapted by Komppula (2006). In their model, service concept development includes phases of idea generation for the core product, core product screening, internal concept testing, and concept development. Service process development includes module creation and development, service blueprinting, internal prototype testing, business analysis, and formal product blueprinting. The next stage is market testing, consisting of external product testing and financial evaluation. The last two stages are commercialization (formal product offering or presentation of the product), and post-introduction evaluation. As this NSD framework was developed specifically for the tourism context, it is also applied in this study.

According to Nambisan (2002), customers may have different roles in different phases of the development process. From a business perspective, customers may act as a resource (usually in the idea generation phase), referring to customers being a source of new service ideas. In the design and development phases, the customer acts as a co-creator and in the testing and commercialization phases as a user (Nambisan, 2002; Nicolajsen & Scupola, 2011). As users, customers can contribute to testing and commercialization (Nambisan, 2002) by evaluating the suitability and functionality of services. In this case, it is important that businesses pay attention to which customers are involved and the customer segments they are in.
The attitude of entrepreneurial leaders affects the interest and ability of a company to act in a customer-oriented way (Melton & Hartline, 2010), and thus to the level of engaging customers in NSD processes. Customer involvement may require that the company has an open innovation and information-sharing culture as well as a flexible organizational structure, and that it provides management support of collaboration with the customers, as well as the provision of technical resources and time for NSD purposes (Sigala, 2012a). Employees should recognize the business value of involving customers in NSD, which may require new policies from the company management side as well as training and rewarding the employees (Chan et al., 2010).

Businesses face challenges in involving customers and selecting and motivating customers for and during the involvement process (Nambisan, 2002). Identifying the right customers for the process, finding the questions to ask, relying too much on the existing customer base, the usability of customer ideas and over-customization are regarded as problems in involving customers in NSD (Alam, 2006; Kendrick & Fletcher, 2002; Sigala, 2012a). The customers involved should be selected in a way that serves the company's aims. For instance, if the aim is to develop services for new target groups, the company should involve potential customers in the NSD process instead of just focusing on existing customers. Another challenge is that managers are often not aware of methods of involving customers in NSD or how to interpret the customer's voice (Alam, 2006; Sigala, 2012a).

Sjödin and Kristensson (2012) argue that customers are more willing to participate if the NSD process is seen as providing positive experiences, and negative experiences arise when customers feel that they are not capable of carrying out the requested task or that the recruitment process, methods used, instructions given or task itself are disliked (Sjödin & Kristensson, 2012). Customer motivation and benefits are often connected to the knowledge customers gain about the product (or how it can be used) from participating in the development process (Dunn & Thomas, 1994; Nambisan, 2002). Antikainen’s (2011) findings indicate that being able to influence the development process and help make better products and services motivates customers to participate. According to Antikainen (2011), a sense of community, efficacy, and fun are also important motivators, but the most important factor is that the participant should be rewarded in some way (Antikainen, 2011).

Antikainen (2011) and Sigala (2011) have noted that online discussion forums and virtual communities are an effective way of involving customers and can support interactions between customers and service providers, binding customers to the development processes (Nambisan, 2002). Additional benefits may also occur when customers can reflect in real time on their experiences and compare them to those of other customers (Sigala, 2012b). However, to involve customers successfully in NSD processes, businesses need to be aware of diverse methods and processes that can be used to collect and analyse the data acquired (Kaasinen et al., 2010).

Methodology
This article presents a case study of a real-life NSD project as an instrumental case study that aims to offer an insight into the issue under investigation rather than providing an in-depth understanding of the case itself (Stake, 2005). Thus, the findings here are meant to support and facilitate our understanding of the possible opportunities and challenges of involving customers in a new tourist service development project, which is the external interest (Stake, 2005) of this study. The internal interests, namely the findings and implications of the actual data acquired from the customer involvement, are here reported only on a scale which is required to allow the reader to follow the process.

This case adapts two different customer involvement methods that are applied in two phases of an NSD process, which is illustrated in Figure 1. A narrative approach was used to collect stories for the idea generation phase of the service concept, and virtual product testing surveys were utilized for the external market testing of two tourist products that were developed based on the stories gained from the narrative analysis. The researchers drew on longitudinal action research that they undertook during their involvement in the development process between these two customer involvement phases. Hence, this NSD process involved the personnel of the case company as well as external researchers,
who gathered and analysed the data acquired from the customers, discussed the issues with the hotel managers and sales personnel, and were in close contact with the person responsible for product development. At the end of the project, they also interviewed the product development person about the outcomes of the project. The second author also participated in operational meetings of the board of the company during the process.

In this study, the customers who were involved in the NSD already had experience of the company’s services. Virtual product testing was intended to reach a large number of potential but targeted customers within the customer base as well as to test the attractiveness, saleability, and price of the offering. The following section describes the case and the NSD process under investigation in more detail, including descriptions of the data collections and analyses.
Case description: developing “Feelgood in Lapland” tourism products

The hotels of the chain that is the subject of our case study are located in Finnish Lapland, which for Finnish people has very special connotations. As a geographical area, Lapland abounds in stereotypical images, which can be assumed to confer upon any product or service a special significance. Most of Lapland is north of the Arctic Circle; thus, the environment is bleak but beautiful. Lapland is largely uninhabited wilderness, and for tourism it is a destination for nature and wilderness tourism. In literature and in the songs the Finns know about Lapland, it is associated with a certain mystique, magic or enchantment. In Finnish culture, references are also made to being crazy about Lapland or being a Lapland aficionado, meaning that many residents of southern Finland wish to return year after year to Lapland in search of repose, peace, and solitude. Nevertheless, there are also trendy modern ski resorts in Lapland.

The company has facilities on the fringes of the wilderness close to the national parks, and also in skiing centres. The company had a registered trademark called “Feelgood”, but the actual offering did not exist at all. Hence, when the development process started, the company wanted to develop services that would fit under the name of “Feelgood”.

In spring 2012, the managing director and the sales manager decided to create content for the “Feelgood” offering, and that the new ideas should be based on customer needs and expectations. The idea of developing a kind of permanent customer panel to collect service development data was raised because of a large-scale campaign carried out by the ferry operator Tallink-Silja (Ainasoja et al., 2010), which had put out a call for “service developers” in the media. As no suitable platform for such a panel was yet available for the company, the decision was made to first collect data from customers utilizing traditional methods, namely email in the idea-generation phase and a customer panel in the external testing phase.

Service concept development

Narrative stories – idea generation

In the first phase of the project, the main focus of interest was on customers’ own interpretations of a “dream Feelgood wellbeing holiday in Lapland”. Hence, a narrative approach was chosen, as it provided the narrators with a voice to express their feelings openly. In this case, a short topical story about a particular issue (Chase, 2005) was chosen to represent the narrative approach. Data was gathered by sending emails to the company’s Finnish customers (22,941 registered customers) asking them to send their stories of the Lapland Feelgood holiday of their dreams to the email address set up for the study. A few elaborative questions were provided, and some information about the respondents’ background was also requested. A total of 362 responses was received, of which 94 (26%) were from men and 268 (74%) were from women. The length of the responses varied from a few words to more than a page. Many of the respondents noted that it was nice to write about their wishes and thoughts, and several responses were extremely long and detailed. A few were even written in verse. Thus, the data showed great variety and diversity.

The end result of 362 narratives comprised 31 pages of text written by 94 males, and 131 pages written by 268 females; the length of the responses varied from a few words to more than a page per respondent. In general, the men’s stories were shorter and more concrete than the women’s, who more often used rich language that reflected their feelings and dreams. Although one might criticize the amount of data and argue that the response rate is far too low to be representative of the customers, the data appeared to be rich and versatile, resulting in nine distinguishable types of narratives, of which at least two could be translated into targeted product offerings. Hence, for the purposes of the NSD process, the amount and quality of the data was regarded as sufficient. As Gummesson (2000) notes, in qualitative research, the size of the sample is not the major concern, but rather what matters is the saturation of the data. Within the organization of the company in the case study, the managing director and the sales manager had no criticism concerning the amount or quality of the data materialized.
Core product screening – the narrative analysis

Following the model proposed by Czarniawska (2004), the stories were interpreted by repeatedly reading through the data, paying special attention to the differences emerging between target groups and to what was common within them. In the formation of groups, the researchers did not pay attention only to interpretations of the Feelgood service concept, but also to parts of the service process and service system that were important for each group.

Narrative analysis is not based on classification; the research forms a new story on the basis of the data (Chase, 2005). Narrative analysis is always the subjective interpretation of the researcher and may lead to criticism about its dependability – whether the findings are consistent and reproducible – as well as confirmability, which relates to the neutrality of the findings (Decrop, 2004). In this case, researcher triangulation was applied in order to increase both confirmability and dependability. Additionally, the narrative data were made available to the representatives of the case company. Nevertheless, systematic analysis of the data was solely in the hands of the researchers, as the representatives of the company were too busy with their daily routines to participate in analysing the data.

The narrative analysis resulted in nine new dream holiday stories for different target groups based on their differing expectations of experiences and the ensuing wishes and needs. The formation of the new stories used direct quotes from respondents belonging to the respective groups.

Preferences regarding travelling companions were one significant factor that constituted differences between different respondents. Therefore, four separate groups were initially formed according to whether a respondent preferred to travel with a spouse, with family, with friends, or alone. In these groups, either being together with significant others or having time to oneself were perceived as being an essential component of a well-being holiday, and these could be considered to be the purpose of a Feelgood holiday. Thus, these stories were valid for those respondents who stressed the importance of being together or of having time to themselves. The four holiday dreams are: a romantic Feelgood holiday for a couple; a Feelgood holiday for the whole family; Feelgood – being together with friends; and Feelgood time to oneself. In addition, five other holiday types emerged in the narrative analysis: Feelgood fitness and hobby holidays; Feelgood wellness holidays; Feelgood nature and hiking holiday; Feelgood wilderness holidays; and Feelgood dream holidays for Lapland aficionados.

These stories showed that clients may expect different things from a service with the same name. The ways the different target groups interpreted the Feelgood experience differed according to the respondents’ own wishes and needs.

Service process development: internal concept testing

The internal concept testing started with a presentation of the stories to the sales manager, with whom one of the researchers had a two-hour discussion of the findings in autumn 2012. The managing director had delegated the leadership of the NSD project to this manager. The sales manager was extremely interested in and satisfied with the results of the first phase of the project, and he started to prepare a plan for further development immediately. Nevertheless, other ongoing operational projects were prioritized by the hotel managers and the NSD project was postponed several times. Developments affecting daily routines were felt to be more important, and the managing director also prioritized activities that had a direct effect on efficiency and profitability.

In the end, the sales manager lost his interest in the NSD project and the responsibility was transferred to the person responsible for the company’s website, and she was nominated as a product developer. At this point, the researchers were informed by the product developer that it was time to continue the project, and she took the responsibility of organizing the meetings with hotel managers and salespersons.

Four of the nine stories were chosen for further concept development. Based on resource analysis and a rough business analysis, two stories were selected for the first phase of the service process development: module creation and development. The hotel managers of the respective hotels chose stories, “A Feelgood holiday for the whole family”, and “Feelgood – being together with friends”, and
the managers developed two concrete tourist product proposals based on these stories: Ski & Fun and Together with Friends. After looking at all the module proposals available, managers conducted a business analysis together with the salespersons in order to set a reasonable price for the product. Modules which were too expensive or too complicated were rejected, and the final product proposals were then blueprinted. Due to technical problems in establishing a platform for a customer panel, the product developer and researchers decided to use an electronic survey to implement the external testing in the form of a virtual product test.

**Market testing: testing tourist services virtually**

The external testing aimed to collect more detailed information about two tourist products that included several service modules. Hence, the questions focused on the overall product packages, which were the Ski & Fun and Together with Friends packages mentioned previously.

The data were collected by utilizing the customer database of the company, in which the customers had been categorized according to their interests concerning different types of holiday sites, activities or seasons. The product Together with Friends was sent to people who had listed enjoyment and good food as their interests, and the product Ski & Fun was sent for assessment to people who were interested in large ski resorts. The selected respondents were invited via email to test the products. The actual invitation was the same for both products, followed by a description of the product being tested. The respondents were motivated by including the prize of a three-day vacation in Lapland to be raffled among all the respondents. After the description of the product, the email included an “Assess this product” button. By clicking it, the respondent was transferred to a questionnaire about the product (Table 1).

The questionnaire included both open-ended and structured questions in order to get a broad range of information. The respondents were asked to pick their favourite part of the product, the issues that make the product attractive and issues that require some improvement, as well as to describe the association that the product aroused in them. They were also asked to grade the product and assess how easy the product description was to understand, and to assess whether it would be important for them to add other additional services to the package. The respondents were also asked how interested they would be in purchasing the described product, what channel they would like to use to buy additional services for the product package, and how often they believed they would buy the product during the course of the next two years. They were also asked whether they found the price acceptable, and if not, they were asked to propose acceptable prices for groups of different sizes.

At the beginning of the virtual testing phase, the product developer felt that the process was rather laborious. The preparation of the technical implementation required several meetings with the researchers and external assistants. At the same time, the company worked to instil product development practices in their activities, which affected time management. Once the development activities got off to a good start, the company representatives perceived customer involvement and the planned process as the right way to proceed.

One of the researchers conducted the data analysis phase for the virtual testing, although the product developer also had access to the data. The process was extremely laborious and required the concentration of one researcher for more than two weeks. The hotel managers and salespersons, as well as the product developer, felt that the testing gave new insights into the service development. The customers

<table>
<thead>
<tr>
<th></th>
<th>Ski &amp; Fun</th>
<th>Together with Friends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample</td>
<td>2764</td>
<td>2684</td>
</tr>
<tr>
<td>Reached by email</td>
<td>2700</td>
<td>2578</td>
</tr>
<tr>
<td>Number of customers opening the email</td>
<td>1045</td>
<td>1048</td>
</tr>
<tr>
<td>Number of customers opening the questionnaire</td>
<td>475</td>
<td>494</td>
</tr>
<tr>
<td>Number of respondents</td>
<td>343</td>
<td>323</td>
</tr>
<tr>
<td>Interested in being a product developer in future</td>
<td>319 (94.1%)</td>
<td>289 (92%)</td>
</tr>
</tbody>
</table>
provided ideas for additional services, and detailed information and suggestions were also gained in relation to the duration, group size, suitability, and required additional information for the products. The results of the testing were concrete and helpful, leading to several changes in the product proposals. Nevertheless, due to the large workload, the efficiency of the implemented form of testing can be questioned. The data collection method proved to be efficient and succeeded in motivating a sufficient number of customers to participate in the project, but for a company alone without the help of a university, the cost of analysing the data would have been far too high.

Commercialization and post-introduction evaluation

After the virtual testing, a few small specifications were added to the content of both product proposals, and the new products were launched at the Nordic Travel Fair in January 2015. Hence, the final success of the products will be visible one or two years after the launch. Their success will be measured in terms of sales and compared to earlier offerings based on only internal service development processes.

By allowing customers to participate in the development process at several stages, the company received much more information to support service development than it would have received by involving customers in only one stage of development. Table 2 summarizes the information gained from the customers at different phases of the NSD process.

According to the managing director and the product developer, the company aims to continue the development processes and to develop an online community platform that is integrated into their website. This decision was supported by the fact that over 90% of those who responded to the virtual testing were willing to be members of the forthcoming product development panel. The respondents also appreciated the fact that the company have activities that involve customers to development processes. This was emphasized by one of the respondents, who stated:

It's great that you listen to your customers' wishes. I used to be a product developer for Service Plus for years, and I have been pleased to see how it changed some of the services. Sometimes you see product packages that do not appeal to you at all. People need experiences and an advertisement must create the correct associations.

Table 2. Information obtained from customers during the process.

<table>
<thead>
<tr>
<th>Service development process stage</th>
<th>Information obtained using the method (content)</th>
<th>Narratives – a request to tell a story</th>
<th>Virtual testing – targeted questionnaires about service descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation of ideas</td>
<td>Different kinds of contents and product themes that could be used as the basis of service development were obtained</td>
<td>Service testing (external)</td>
<td>Information about what is good about the services, which issues need to be improved, what kinds of thoughts the services raised in the minds of the customers (to support marketing), what the service product should include, applicability of the product price, issues influencing the purchase decision, purchasability, opportunities for customization</td>
</tr>
<tr>
<td>Final result</td>
<td>Nine narratives about the service product (service concept development), information about interests and needs of different target groups</td>
<td>Concrete improvement suggestions regarding service process and service system, information about the attractiveness of the service products and applicability of the price</td>
<td>Information on whether the service product could be marketed as such/whether editing the service product for the market is necessary</td>
</tr>
<tr>
<td>Utilization of the data</td>
<td>Service ideas as the starting point for product development</td>
<td>Information on whether the service product could be marketed as such/whether editing the service product for the market is necessary</td>
<td>Information on whether the service product could be marketed as such/whether editing the service product for the market is necessary</td>
</tr>
<tr>
<td>Costs</td>
<td>Data collection is cost-efficient but analysing it takes time</td>
<td>Data collection is cost-efficient, basic analysis of the data (quantitative) is quick, analysing the open ended questions takes time</td>
<td>Data collection is cost-efficient, basic analysis of the data (quantitative) is quick, analysing the open ended questions takes time</td>
</tr>
<tr>
<td>Number of responses</td>
<td>362</td>
<td>SKI &amp; FUN 343, Together with Friends 323</td>
<td></td>
</tr>
</tbody>
</table>
In the case of holidays in Lapland, in particular. After all, Lapland is the answer for people living a hectic life in southern Finland who want to have a relaxing holiday.

It seems that when customers have a feeling that their views are appreciated and will be used in developing the business, this is important to the customers and they are willing to participate. This supports the Antikainen's (2011) findings which indicate that being able to influence the development process motivates customers to participate development activities.

Conclusion and implications

The first aim of this paper was to examine the company's ability to utilize customer involvement. The findings support the ideas of Sigala (2012a) and Chan et al. (2010) and show that successful utilization of customer participation in NSD requires willingness, ability, and commitment to this approach at all levels of the organization. This is in line with Melton and Hartline (2010), who noted that the attitude of a company's leaders affects the ability and interest of that company to act in a customer-oriented way. The whole process needs input from the personnel of the company, especially when customers' ideas are evaluated (Ordanini & Parasuraman, 2011). Involving the personnel of the company in assessing the usability of customer ideas may also reduce the problem of over-customization (Alam, 2006; Sigala, 2012a).

This case shows that the company derived diverse benefits by involving customers in several phases of the NSD process, which eventually led to the launch of two new service products under the theme “Feelgood”. The customers' ideas of the service concept were developed by the personnel in the form of concrete offerings, which were then again evaluated by the customers. While the idea generation phase provided several ideas for service concepts, the virtual testing phase offered the company concrete, detailed suggestions, mainly related to the service process and service system. Hence, involving customers in the whole process provided valuable information for all components of the service. The findings contribute to the NSD literature by giving a practical example of the process and methods that can be used to involve customers in diverse phases of NSD, as there has been lack of studies that show how to engage customers with NSD (Kristensson et al., 2008) and how customer involvement can contribute to NSD processes (Sigala, 2012b). Additionally, previous studies (Alam, 2006; Edvardsson et al., 2012) have focused on only one specific stage of the service development process or a single method of customer involvement.

From the business point of view, one of the benefits was the cost-effective data collection method utilizing the Internet and the company’s own customer base. However, there were differences in how eager the customers were to take part in the data collection. A non-targeted email in the first stage received far fewer replies (in relation to the sample size) than the more clearly targeted one in the virtual testing. Therefore, one can assume that customers are more interested in participating, commenting, and providing feedback on products that they feel are targeted at them. Hence, we agree with Kaasinen et al. (2010) who state that the experiences and motivations of customers involved should be studied and identified in order to be able to design the most suitable methods of participation for different participant groups. The virtual product development panel the company is planning to create should therefore be developed in such a way that it enables testing targeted at specific segments.

According to Nambisan (2002), reaching and motivating customers to participate in the NSD processes has been regarded as challenging. The findings of this study indicate that a customer database is a great resource for NSD activities, as it enables a huge amount of customers to be reached and the invitation to be targeted. The large number of relatively short responses in the idea-generation phase may indicate that those respondents were more motivated by the reward than the possibility to participate. However, it seems that, later during the NSD process when the activities were more targeted, the customers were also increasingly motivated by being able to influence the development process and help make better services (see Antikainen, 2011). Hence, the motivation of customers to participate may differ according to the stage of NSD process.
Our findings indicate that it is important to target development activities at the right target groups, and customers may also be singly motivated by an opportunity to be heard, which is in line with several other studies (Antikainen, 2011; Dunn & Thomas, 1994; Nambisan, 2002; Sjödin & Kristensson, 2012). However, companies should be aware of the risks of over-reliance on the existing customer base (Kendrick & Fletcher, 2002).

The company faced also other challenges during the NSD project. There were several other operational development projects underway within the company, and the low motivation and commitment of the personnel at the beginning of the process was mainly because the development activities were carried out alongside other tasks. During the process, the responsibility of the NSD was also transferred from one person to another. Technical challenges affected the way the data were collected, and the original idea of creating an online customer panel remained to be developed in future. Hence, the findings indicate that the leadership of the NSD process should be entrusted to a person who acknowledges the appropriate NSD approach, and that the person should be provided with sufficient resources for the project. Similar kinds of challenges, such as a lack of time or technical resources, have also been reported in previous studies (e.g. Sigala, 2012a). The findings also indicate that using methods other than traditional customer involvement methods may be challenging, time-consuming, and expensive for the company (Konu, 2015c), and companies may lack the knowhow to implement them. This is in line with Komppula and Lassila (2014), who state that involving customers in service development often requires collaboration between tourism businesses and universities or other research units familiar with these methods.

This study has limitations, as it presents a practical case where the overall NSD process was realized by following the terms specified by the company. Hence, the starting point of the study was practical rather than academic research-oriented. This means that, especially in the first phase especially – the narrative study – the data collection could have been more targeted. Using the company’s customer database may also be seen as a limitation (Kendrick & Fletcher, 2002). The researchers acknowledge that the findings may have been somewhat different if the people involved would have been potential customers of the company instead of current ones. However, as the aim was to develop a new offering that would initially attract existing customers, this was seen as the right way to proceed. To tackle the issue of asking the right questions, the starting point was to ask customers to tell about their dream holiday and not to give them very detailed guidelines. Thus, the customers had the possibility to describe their dream holiday as they wished, without restricting their creativity.

Additionally, at this point, information is not available about the financial benefits regarding the sales of the new products. Hence, it is easy to agree with Sigala (2012a), who said that the benefits of customer involvement are difficult to measure. Nevertheless, we suggest that these findings will be helpful for companies and researchers when planning similar projects.

Disclosure statement

No potential conflict of interest was reported by the authors.

Notes on contributor

Henna Konu is a project manager/researcher at the University of Eastern Finland, Centre for Tourism Studies. She has a lot of experience in different national and international tourism research and development projects. Her research interests are in service development, customer involvement, consumer/tourist experiences, experiential services, and well-being and nature tourism. She is currently writing her doctoral dissertation on the customer involvement in experiential tourism service development. Henna Konu’s publications include articles in Tourism Management, Journal of Hospitality Marketing and Management, Tourism Review, Journal of Vacation Marketing, Journal of Hospitality and Tourism Management, and in Tourism Management Perspectives. She has also co-authored several book chapters in international edited books in tourism field.

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References


HENNA KONU

This dissertation examines customer involvement in experiential tourism service development, by discussing customer involvement and consumer service experience in the NSD process of experiential services, and examining the contribution and usefulness of diverse methods utilised in experiential service development. This dissertation takes a case study approach and presents three different new tourism service development cases.