Service development as practice: A rhetorical analysis of customer-related arguments in a service development project

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Summary   In this paper, in order to examine service development *as practice*, we draw on extensive ethnographic material covering an entire service development process. Through a rhetorical lens, we identify what types of customer-related arguments the project members use in order to drive the development process forward and confront these findings with service development literature. We find that customer orientation is rhetorically present mostly when it comes to what the team *should* do (i.e. appeals to *ethos*, expressed as identification with the customer but also as guilt). However, this type of rhetoric does not lead to action as prescribed by normative marketing literature — such as formal acquisition of and reliance on market research — due to more decisive arguments about resources.
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Introduction

It has been noted by a number of scholars that academic marketing research in general is dominated by a normative approach (e.g. Hackley, 2003; Skålén, Fougère, & Fellesson, 2008) and that it would benefit from field work in order to *study practice* rather than prescribe practices (e.g. Brownlie & Saren, 1997). Similarly, academic marketing literature more specifically relevant to service development has mostly focused on prescribing practices for marketing practitioners (e.g. Biemans, 2003; Workman, 1993). In this literature, it is advocated that in line with the notion of customer orientation, the developers *should* discover, understand and satisfy the expressed and latent needs of the customer (Johne & Storey, 1998; Kristensson, Matthing, & Johansson, 2008; Narver, Slater,

& MacLachlan, 2004). They are thus expected to turn to the customer and to conduct formal market research, which, in turn, is supposed to inform them about customer needs and preferences. Hence, the firm is allegedly given an opportunity to develop its services in the direction of the 'voice of the customer' (Griffin & Hauser, 1993). Such a 'customer oriented' development process, it is argued, contributes positively to the performance of the firm (see e.g. Slater, 2001). Due to characteristics of services as opposed to products it has been suggested that customer orientation plays a more important role in service firms (Alam & Perry, 2002).

Although there is a general agreement in marketing research on service development about the importance of focusing on the customer and acquiring information from the customer about her/his needs and preferences, there has been little descriptive research providing knowledge about service development as it is actually practiced. In addition, to our knowledge there has been no field research that has longitudinally investigated how this customer focus is translated in practice during an entire service development process. In line

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with the scope of this special issue, and unlike the overwhelming majority of existing research on service development, we are not interested in how the development process *should be* conducted (i.e. prescribed service development *practices*), but rather in how it *is* conducted by practitioners (i.e. service development *praxis*). In addition, we focus on *process* rather than *outcome*, in line with the major works within the emerging subfield of marketing as practice (e.g. Kjellberg & Helgesson, 2007a, 2007b; Schau, Muñiz, & Arnould, 2009). In order to examine service development praxis, we draw on extensive ethnographic material covering a service development project — the incremental development of a bank's website — over more than a year, from the beginning of development work to the launch of the new service.

Service development is usually carried out as a project with numerous meetings throughout the process (for a discussion of general characteristics of service development processes, see e.g. Edvardsson, 1996). Thus, much of the development work is done through discussions among the development team members on how to develop the service further. In these discussions, different team members argue for their views on how to drive the development forward. If we are to believe the mainly normative findings from the streams of marketing literature that are relevant to service development and typically emphasize the importance of a customer focus, we should then expect that the types of arguments that are considered valid in the development team — and thereby prove decisive in driving the development forward — should be in line with the prescriptions from that literature. Our more specific aims are thus to (1) identify, through a rhetorical lens, what types of customer-related arguments the project members use in order to drive the development process forward, and in turn to (2) confront these findings with relevant literature on service development (i.e. confronting observation of praxis with prescribed practices), in order to clearly establish our contribution to the study of service development. Using rhetoric as an analytical lens can make it possible to generate an understanding of both (1) how 'present' the customer is in the practitioners' arguments and their development decisions and (2) in what types of arguments the customer is rhetorically 'present' in studied development projects — including whether this presence is manifested in a manner corresponding to that prescribed by extant service development literature.

The present paper is structured as follows. This introduction is followed by a lengthy theoretical section, in which (1) we review relevant academic marketing research on service development, and (2) we discuss how we use rhetoric as an analytical lens that can contribute to an understanding of service development as practice. We then move on to describing the case itself and our ethnographic research approach. In the next section we present our findings from the empirical material (thereby addressing our first aim), and then conclude by recapitulating our main findings, confronting them with relevant literature (thereby addressing our second aim), discussing our contributions and suggesting avenues for further research.

Literature review and theory framework

This theoretical section is divided into two subsections. First, we review the three streams of marketing research that we have identified as the most relevant to the study of service development, and summarize their main findings. This is meant to lay out what the most important characteristics of a development process *should* be according to these influential streams, which will serve as a basis for our synthesis of what types of arguments should be expected to be valid in a service development process. Second, we introduce rhetoric as an analytical framework and suggest how rhetoric may contribute to academic marketing research on service development through an understanding of service development as practice, relying on terminology from practice theory. In this second subsection we present the types of arguments that, based on the first subsection, should be expected to drive a service development process forward, in order to facilitate the confrontation of our findings with extant literature later on in the paper.

Literature review: three marketing streams on service development

Within marketing literature relevant to service development, we identified three main research streams that discuss the importance of focusing on the customer during the development process: (1) the *success/failure* stream, (2) the *means/method* stream and (3) the *incremental/radical* stream.

The success/failure stream
The aim in this research stream is to identify and describe those 'critical' factors that determine the performance of the outcome of the development process: in other words, whether the new service is to be labelled a success or a failure. The underlying premise is that retrospective analysis of past successes and failures provides insights that can help firms to avoid pitfalls and manage the development process more efficiently. Hence, this stream aims to prescribe what ought to be and what practitioners ought to do. One example of a typical study in this stream is a much cited investigation by de Brentani (1991). She investigated 150 successes and 126 failures in 115 firms within several service sectors and found that one of the most influential success factors was that the development project had a 'detailed/formal new service development process'. According to de Brentani (1991: 44), this means that the following activities are performed in the development process:

> a number of up-front activities, including in-depth market studies, customer researched concept descriptions...pre-launch testing to determine customer response...

In addition to the argued positive relationship between market research and new service success (e.g. Athanassopoulou & Johne, 2004; de Brentani, 1991; Edgett & Parkinson, 1994) it is also argued within this stream that an understanding of customer needs through the conduct of market research is essential in order to *prevent* financial loss or new service failure (Oldenboom & Abratt, 2000). While several authors argue that turning to the customer is more important to new service success at certain key stages of the development process (e.g. Martin & Horne, 1995; von Hippel, 1988), others emphasize the need for customer input to be obtained throughout the whole service development process (e.g. Alam & Perry, 2002; Carbonell, Rodriguez-Escudero, & Devashish, 2009).