

CUSTOMER INVOLVEMENT IN A TECHNICAL PRODUCT DEVELOPMENT PROCESS – TIME TO IMPLEMENT A SERVICE-DOMINANT LOGIC PERSPECTIVE?

Jan Bodin, Umeå School of Business at Umeå University, Sweden
Sofia Isberg, Umeå School of Business at Umeå University, Sweden

ABSTRACT

In mainstream marketing the full potential of customer involvement is still largely over-looked. Value is mainly seen as created by the firm, built into products and delivered or marketed to customers. Many product development processes reflect this by emphasizing in-house centered processes possible to monitor and control by management. Today, customers are to a higher extent involved throughout the development process and companies are starting to explore the benefits of opening up the in-house process and involve customers in a more dynamic way. However, it could be argued that the customer is still seen as yet another resource that should be utilized in an optimal way.

In contrast to this in-house product development process is the service-dominant logic (S-D logic), which views customers as co-creators of value with the firm. This paper examines the mainstream logic of customer involvement in the product development process through the lens of S-D logic. A comparison between the two logics is made by highlighting the differences regarding: the role of the firm, opportunity instigator, drivers of development, knowledge & skills, role of customers, and role of management.

Via a case from the automotive industry focusing on innovation diffusion problems, issues relating to immaterial rights, what happens when the client under-value the partner's know-how, and therefore is incorrect in their assessment and decisions are highlighted. The paper concludes by discussing both benefits and problems with implementing S-D logic in the product development process.

Keywords: Product development process, Customer involvement, Service-Dominant (S-D) logic, Case study.

References available upon request.